

2010

Missouri

Legal Malpractice Insurance Report

**Statistics Section
June 2011**



DIFP

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MISSOURI LEGAL MALPRACTICE INSURANCE REPORT 2010

**Department of Insurance, Financial Institutions & Professional Registration
Statistics Section
June 2011**

Other Publications

Available from the Missouri Department of Insurance, Financial Institutions & Professional Registration

The Department of Insurance, Financial Institutions & Professional Registration publishes the following reports. These reports are available by sending a written request along with \$35 to:

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P.O. Box 690
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1. ***Missouri Complaint Index Report***
summary information: <http://insurance.mo.gov/consumers/complaints/compindx.php>
2. ***Missouri Department of Insurance Annual Report***
summary information: <http://difp.mo.gov/about.php>
3. ***Missouri Life, Accident & Health Supplement Data***
summary information: <http://insurance.mo.gov/reports/suppdata/>
4. ***Missouri Market Share Report***
summary information: <http://insurance.mo.gov/reports/mktshr/>
5. ***Missouri Medical Malpractice (Closed Claim) Report***
summary information: <http://insurance.mo.gov/reports/medmal/index.php>
6. ***Missouri Product Liability (Closed Claim) Report***
summary information: <http://insurance.mo.gov/reports/prodliab/>
7. ***Missouri Property & Casualty Supplement Report***
summary information: <http://insurance.mo.gov/reports/suppdata/>
8. ***Missouri Real Estate Malpractice (Closed Claim) Report***
summary information: <http://insurance.mo.gov/reports/remal/>
9. ***Mortgage Guaranty Report***
summary information: <http://insurance.mo.gov/reports/mortguar/>
10. ***Missouri Health Maintenance Organization Report***
summary information: <http://insurance.mo.gov/reports/hmo/>

Databases: For more information: <http://insurance.mo.gov/reports/>

1. Medicare Supplement Experience Data
2. Commercial Liability Experience Data
3. Missouri **Zip Code Insurance Data** for:
 - Homeowners/Dwelling Fire,
 - Farmowners (dwelling only),
 - Mobile Home,
 - Earthquake, and
 - Private Passenger Automobile

Some data is available to the public for a fee by special request only. For additional information, contact the **Statistics Section at (573) 751-4126**.

DEFINITION OF TERMS

Indemnity Paid: The sum of all payments made during the year for the benefit of insurance claimants, before reinsurance has been ceded and/or assumed. These payments include amounts paid in the current year for claims arising from coverage in prior years and exclude amounts which will be paid in future years for claims arising from the current year. Hence, this item is not a measure of the actual cost of current coverages, but only of current cash flows.

Loss Adjustment Expenses: The cost involved in an insurance company's adjustment of losses under a policy.

Direct Premiums Written: The dollar amount charged when a policyholder contracts for insurance coverage before reinsurance has been ceded and/or assumed.

Direct Premiums Earned: The part of premium attributable to the coverage already provided in a given period before reinsurance has been ceded and/or assumed.

Direct Losses Incurred: The sum of direct losses paid plus an estimate at the close of the year of the amounts to be paid in the future for all claims arising from the current and all prior years, minus the corresponding estimate made at the close of business for the preceding year. Incurred losses reported include estimated amounts unpaid for incurred-but-not-reported (IBNR) claims.

Loss Ratio: The dollar amount of direct losses incurred divided by the dollar amount of premiums earned for the particular line of business being analyzed, expressed as a percentage. This is an accounting representation of the portion of each premium dollar which is needed to honor a company's promise to pay claims.

LEGAL MALPRACTICE INSURANCE REPORT EXECUTIVE SUMMARY

This report summarizes the legal malpractice insurance experience in Missouri from 2001 to 2010.

The charts, graphs and tables in this report are limited to closed claim information and were constructed from data collected by the Department of Insurance, Financial Institutions & Professional Registration as required by Section 383.077 RSMo. The premium and loss data, obtained from the Missouri Page 19 Supplement to the companies' annual statements are presented in the final section.

In 2010, the loss ratio for legal malpractice insurance in Missouri was 61 percent. For the 10-year period of claims closed¹, 639 (27 percent) were closed with payment. Claims closed in 2010 totaled 242, a 2.1 percent increase from the previous year. The average payment was \$120,014.

The cost to an insurer for settling legal malpractice cases (called loss adjustment expense, consisting of legal fees, claim adjustment costs and related items) has fluctuated over the past 10 years. In 2010, the average loss adjustment expense for all claims closed with payment was \$72,639 compared to \$25,041 in 2009.

Indemnity amounts are categorized by claim characteristics, including:

- Area of law in which the insured was retained by the claimant.
- Major activity in which the lawyer was engaged at the time the alleged error or omission occurred.
- Alleged error or omission that was the most significant reason for making the claim.
- The legal disposition of the claim at the closing date.
- The number of years the insured had been in practice at the time of the alleged error or omission.
- The relationship of the insured to the claimant.

¹ Claims closed may have resulted from incidents in any previous period.

By area of law, the largest share of claims closed in 2010 (57 of 242) was initiated by plaintiffs in *personal injury and property damage cases*. The largest proportion of all claims closed in 2010 under the major activity code occurred during *categories that were not specified*. Of all claims paid during 2010, 39 percent were settled *before filing suit or demanding a hearing* on the alleged malpractice.

Ninety-seven percent of losses in 2010 occurred among attorneys with *more than 10 years of practice*. The insured's relationship to the claimant is partitioned into four subclasses: *free legal service, non-client, member of pre-paid legal plan and client other than free service or prepaid legal plan*. Eighty-two percent of 2010 claims occurred in the category of *client other than free legal service or member of pre-paid legal plan*.

Only 9 companies reported writing legal malpractice insurance in Missouri for 2010. Of these, the Bar Plan Mutual Insurance Company was by far the largest, with over 69 percent of the legal malpractice insurance market in this state.

This report was compiled using information submitted by insurance companies. As a result, the accuracy of this report is dependent upon the correctness of each company's data. Copies of this report will be made available in Braille, large print or on audio cassette upon request. Any questions regarding this report should be addressed to the Statistics Section, Department of Insurance, Financial Institutions & Professional Registration, P.O. Box 690, Jefferson City, MO 65102-0690.

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**TEN YEAR
SUMMARY
(2001-2010)**

LEGAL MALPRACTICE EXPERIENCE

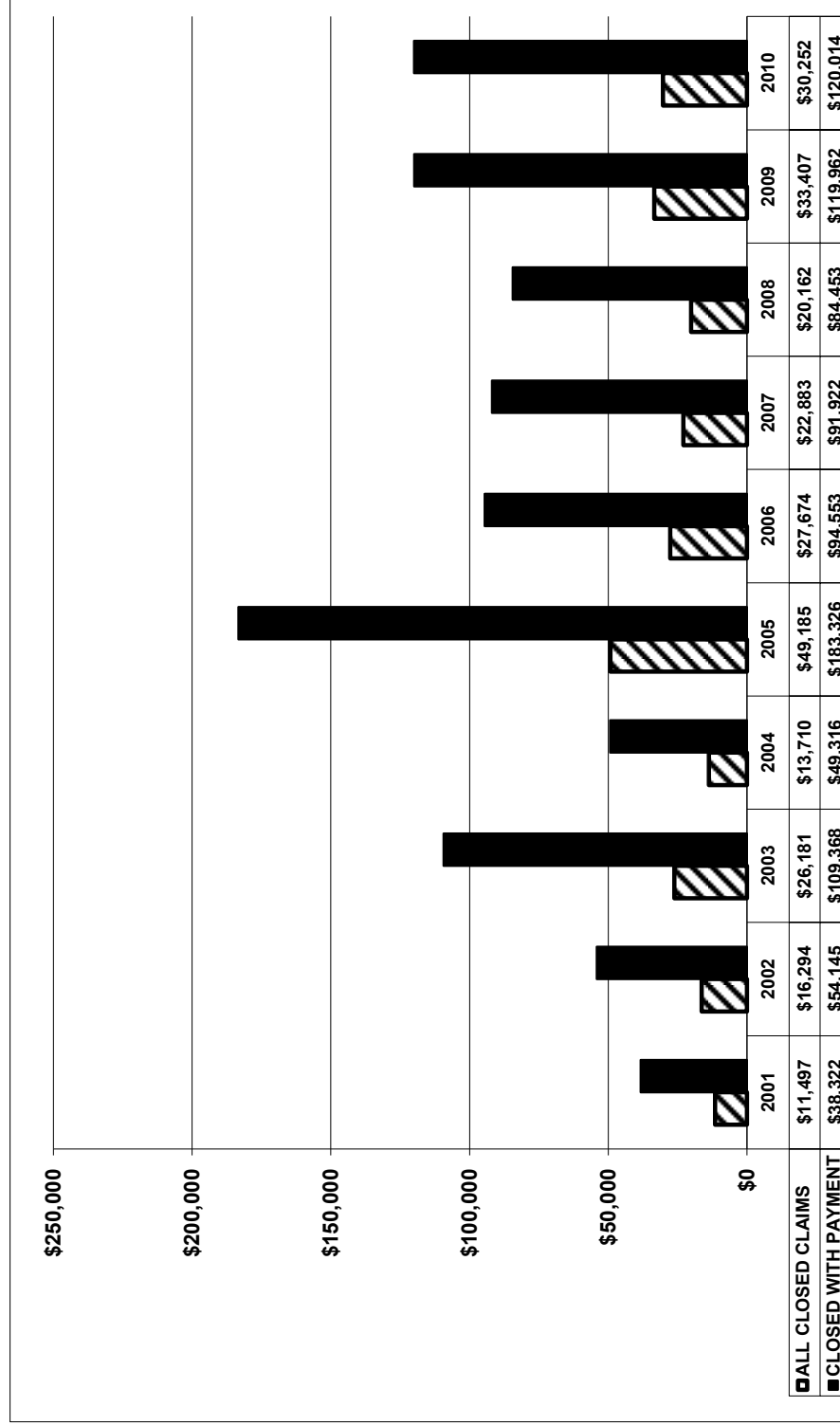
TEN YEAR SUMMARY

(2001-2010)

CLOSED CLAIMS	NUMBER OF CLAIMS	PERCENT OF CLAIMS	TOTAL INDEMNITY PAID	AVERAGE INDEMNITY PAID	TOTAL LOSS EXPENSES PAID	AVERAGE LOSS EXPENSE PAID
All Closed Claims	2,374	100.0%	\$60,310,314	\$25,405	\$35,766,580	\$15,066
Closed with Payment	639	26.9%	\$60,310,314	\$94,382	\$16,136,725	\$25,253
Closed without Payment	1,735	73.1%	\$0	\$0	\$19,629,855	\$11,314
Claims Settled Through Court Proceedings	219	9.2%	\$9,357,716	\$42,729	\$7,378,561	\$33,692
Court Proceedings Resulting in Payment	33	1.4%	\$9,357,716	\$283,567	\$-1,232,155	\$-37,338

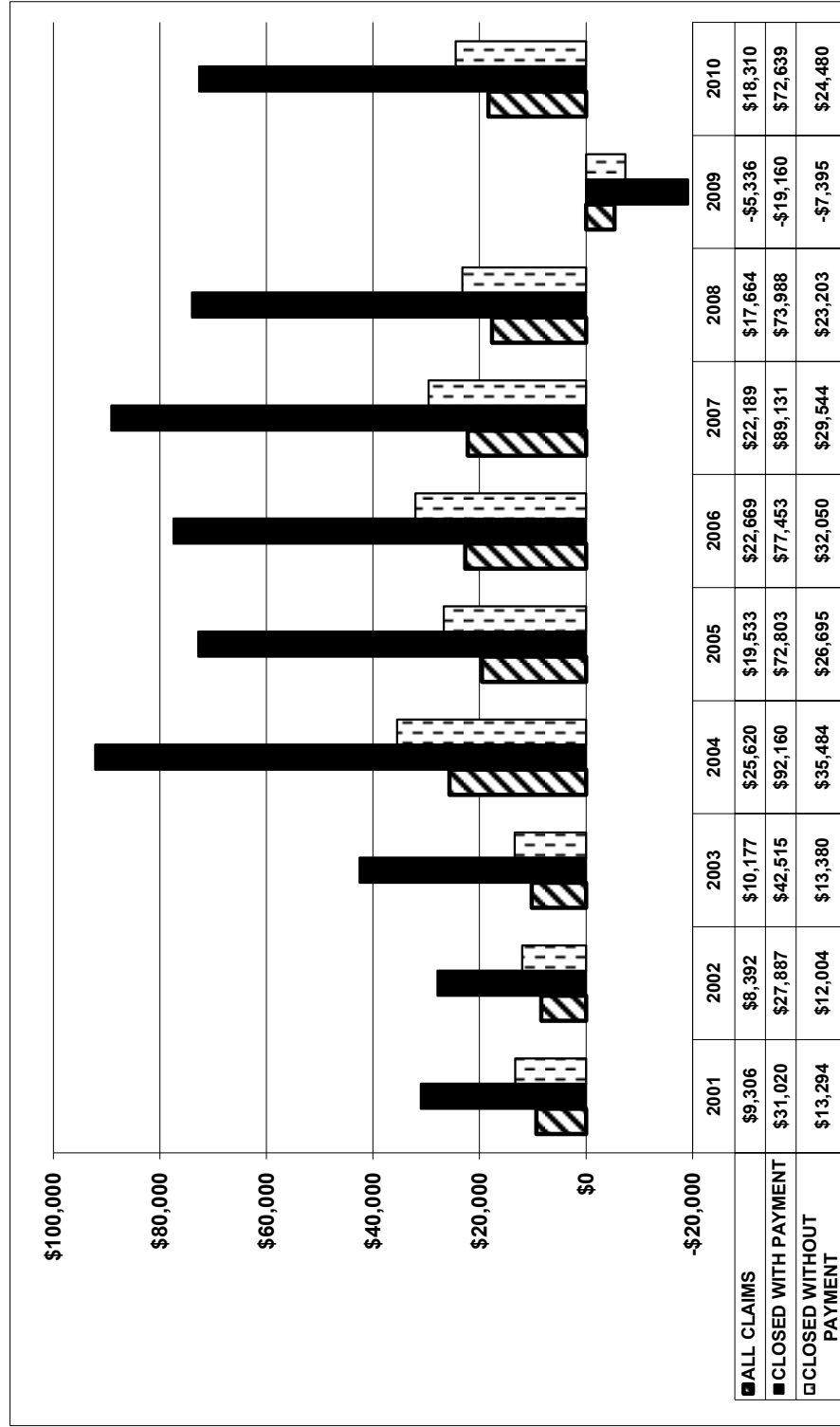
MISSOURI LEGAL MALPRACTICE INSURANCE

AVERAGE PAID CLAIM



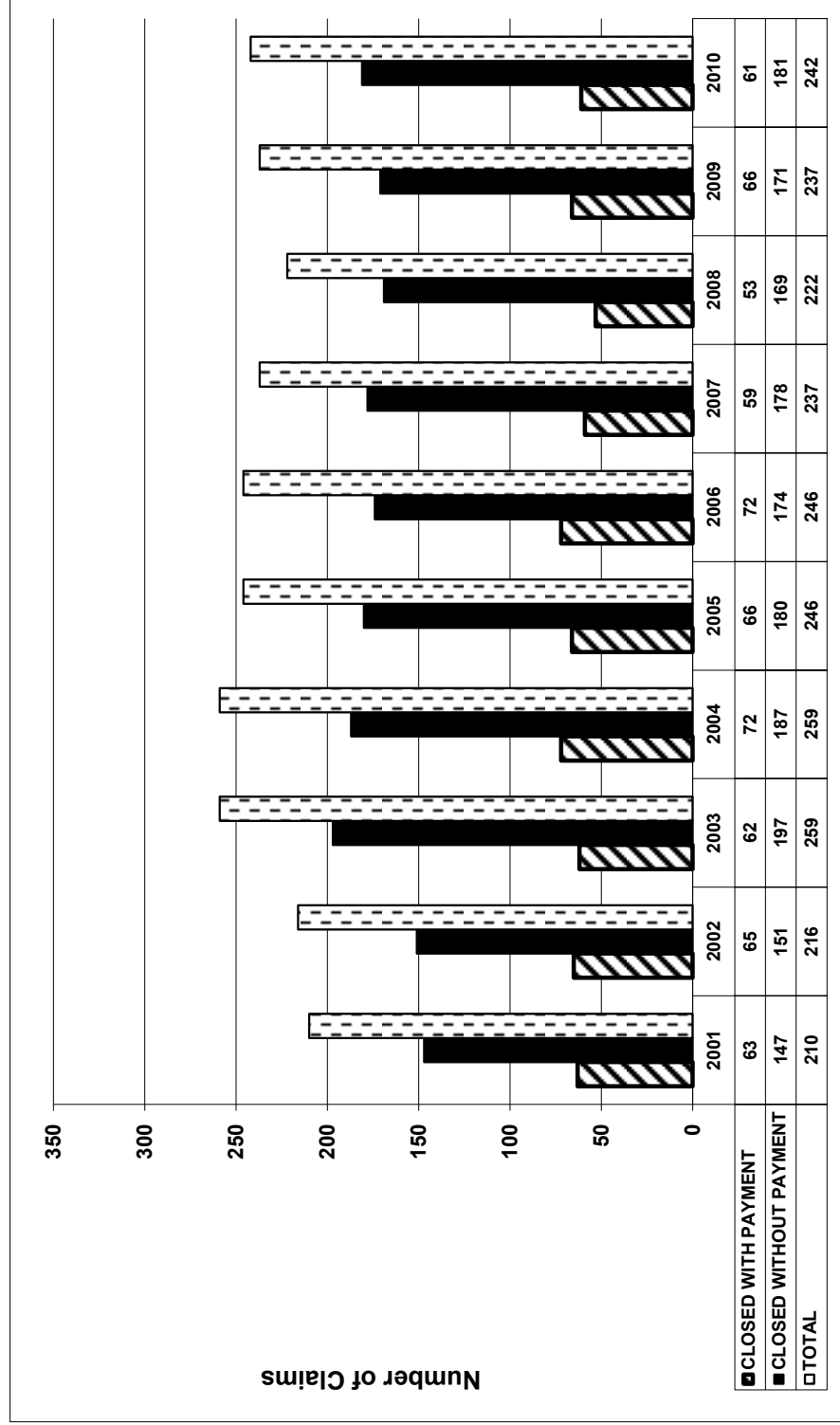
MISSOURI LEGAL MALPRACTICE INSURANCE

AVERAGE PAID LOSS ADJUSTMENT EXPENSE



MISSOURI LEGAL MALPRACTICE INSURANCE

CLAIM COUNT 2001-2010



**TEN YEAR SUMMARY
&
2010 SUMMARY
BY
AREA OF LAW**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2001-2010

AREA OF LAW	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BI/PD - PLAINTIFF	629	241	37.72%	\$86,742	\$20,904,789	34.66%	\$8,379
COLLECTION & BANKRUPTCY	288	59	9.23%	\$39,794	\$2,347,845	3.89%	\$10,253
FAMILY LAW	284	56	8.76%	\$46,732	\$2,616,969	4.34%	\$10,546
ESTATE, TRUST & PROBATE	277	76	11.89%	\$75,873	\$5,766,371	9.56%	\$17,084
REAL ESTATE	193	40	6.26%	\$194,217	\$7,768,663	12.88%	\$11,958
BUSINESS TRANSACTION/COMMERCIAL LAW	128	38	5.95%	\$172,135	\$6,541,135	10.85%	\$31,849
WORKERS COMPENSATION	105	38	5.95%	\$38,120	\$1,448,559	2.40%	\$12,975
CRIMINAL	94	12	1.88%	\$49,955	\$599,463	0.99%	\$11,400
BI/PD - DEFENDANT	93	17	2.66%	\$355,875	\$6,049,876	10.03%	\$52,347
CORPORATE & BUSINESS ORGANIZATION	72	13	2.03%	\$81,626	\$1,061,139	1.76%	\$19,703
CIVIL RIGHTS & COMMISSION	54	11	1.72%	\$38,754	\$426,294	0.71%	\$10,787
LABOR LAW	39	9	1.41%	\$125,504	\$1,129,535	1.87%	\$19,387
CONSUMER CLAIMS	23	5	0.78%	\$63,000	\$314,999	0.52%	\$18,845
LOCAL GOVERNMENT	21	1	0.16%	\$27,500	\$27,500	0.05%	\$10,965
TAXATION	15	3	0.47%	\$45,833	\$137,500	0.23%	\$13,926
PATENTS, TRADEMARKS, COPYRIGHTS	13	5	0.78%	\$235,000	\$1,175,000	1.95%	\$98,000
CONSTRUCTION (BUILDING CONTRACTS)	12	5	0.78%	\$214,423	\$1,072,113	1.78%	\$61,808
IMMIGRATION & NATURALIZATION	10	4	0.63%	\$94,008	\$376,030	0.62%	\$18,299
SECURITIES (S.E.C.)	9	3	0.47%	\$176,796	\$530,389	0.88%	\$28,776
GOVERNMENT CONTRACTS & CLAIMS	8	0	0.00%	N/A	\$0	0.00%	\$504
ADMIRALTY	3	2	0.31%	\$6,100	\$12,200	0.02%	\$1,757
ENVIRONMENT	3	0	0.00%	N/A	\$0	0.00%	\$1,446
ANTITRUST	1	1	0.16%	\$3,945	\$3,945	0.01%	\$27,972
TOTAL	2,374	639	100.00%	\$94,382	\$60,310,314	100.00%	\$15,066

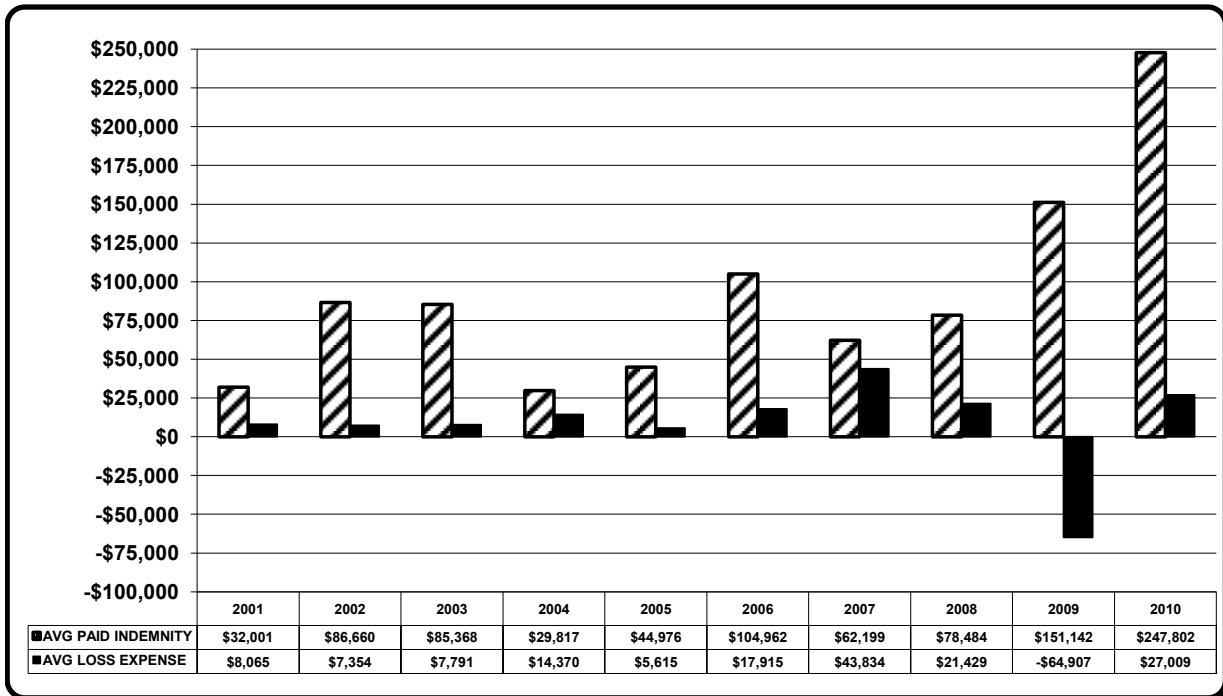
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2010

AREA OF LAW	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BI/PD - PLAINTIFF	57	20	32.79%	\$247,802	\$4,956,031	67.70%	\$27,009
COLLECTION & BANKRUPTCY	37	4	6.56%	\$33,089	\$132,355	1.81%	-\$16,232
ESTATE, TRUST & PROBATE	34	12	19.67%	\$91,435	\$1,097,219	14.99%	\$30,465
FAMILY LAW	30	8	13.11%	\$23,244	\$185,950	2.54%	\$30,354
REAL ESTATE	24	2	3.28%	\$14,890	\$29,779	0.41%	\$10,326
CIVIL RIGHTS & COMMISSION	9	2	3.28%	\$54,000	\$108,000	1.48%	\$5,317
WORKERS COMPENSATION	9	2	3.28%	\$34,129	\$68,258	0.93%	\$16,586
CRIMINAL	8	1	1.64%	\$100,000	\$100,000	1.37%	\$35,555
BUSINESS TRANSACTION/COMMERCIAL LAW	7	3	4.92%	\$62,667	\$188,000	2.57%	\$42,772
CORPORATE & BUSINESS ORGANIZATION	7	0	0.00%	N/A	\$0	0.00%	\$0
BI/PD - DEFENDANT	4	2	3.28%	\$27,638	\$55,276	0.76%	\$56,486
CONSUMER CLAIMS	4	1	1.64%	\$50,000	\$50,000	0.68%	\$3,659
LABOR LAW	4	0	0.00%	N/A	\$0	0.00%	\$11,292
TAXATION	3	1	1.64%	\$75,000	\$75,000	1.02%	\$40,355
PATENTS, TRADEMARKS, COPYRIGHTS	2	2	3.28%	\$75,000	\$150,000	2.05%	\$27,273
CONSTRUCTION (BUILDING CONTRACTS)	1	0	0.00%	N/A	\$0	0.00%	\$41,357
GOVERNMENT CONTRACTS & CLAIMS	1	0	0.00%	N/A	\$0	0.00%	\$0
SECURITIES (S.E.C.)	1	1	1.64%	\$125,000	\$125,000	1.71%	\$14,070
TOTAL	242	61	100.00%	\$120,014	\$7,320,868	100.00%	\$18,310

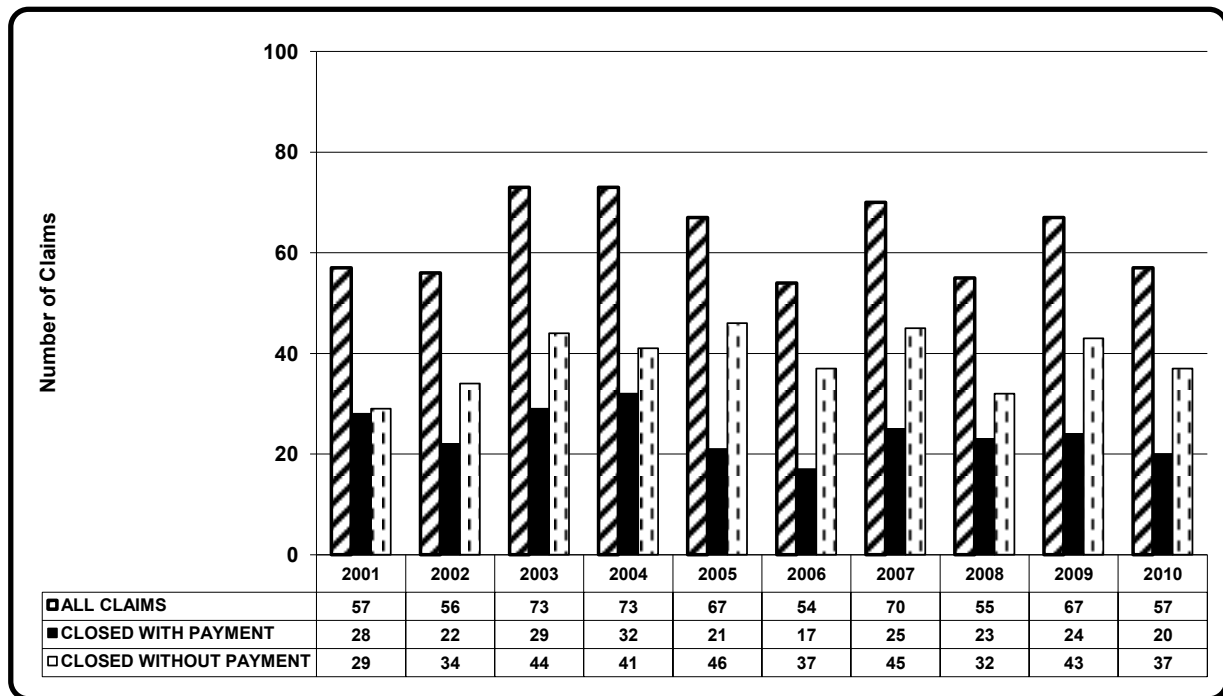
**TRENDS
OF THE TOP TEN
AREAS OF LAW
OF 2010**

PERSONAL INJURY/PROPERTY DAMAGE - PLAINTIFF

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

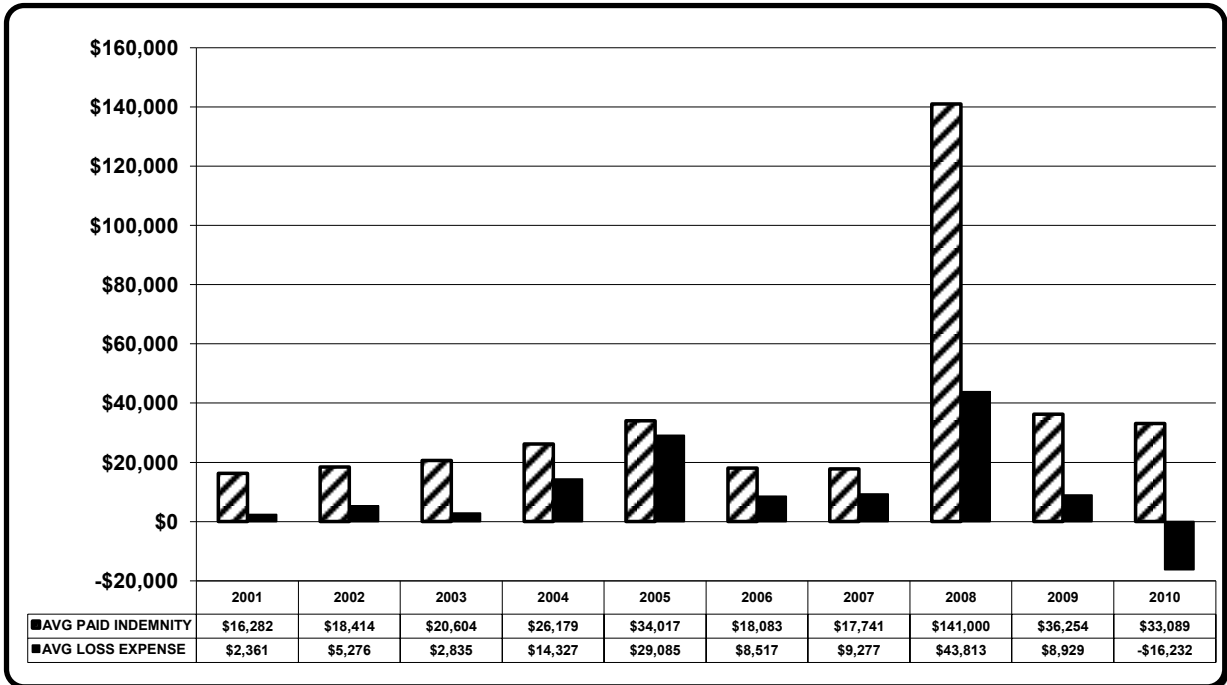


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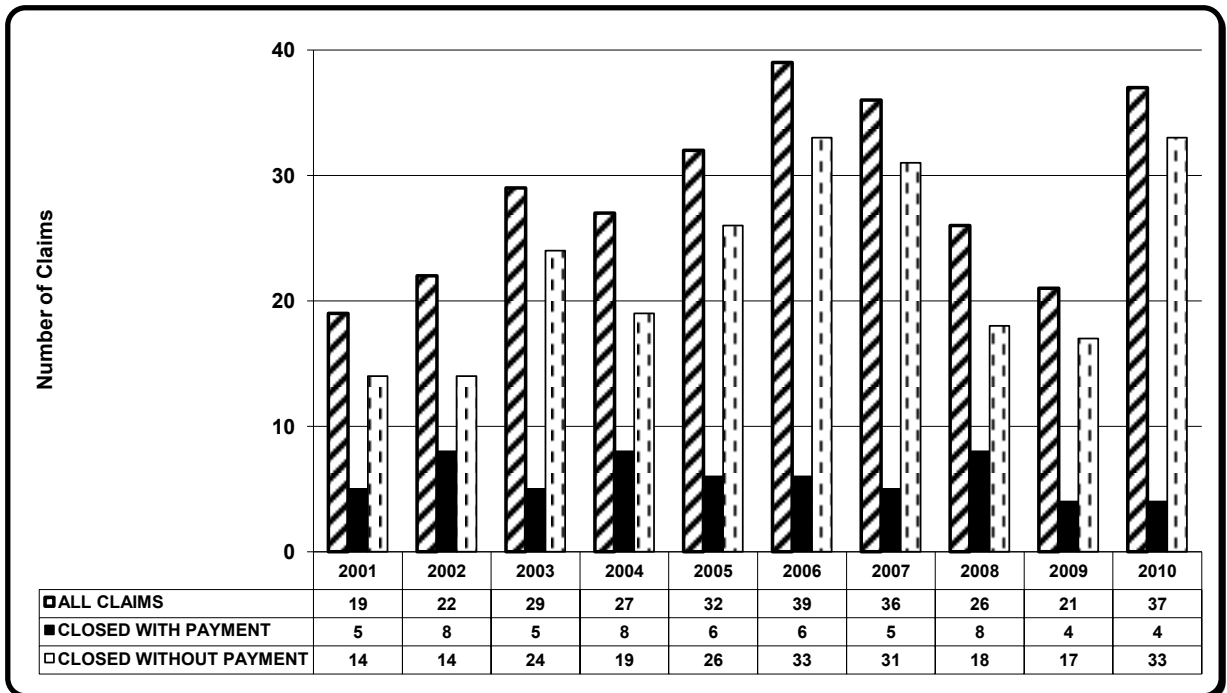


COLLECTION & BANKRUPTCY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

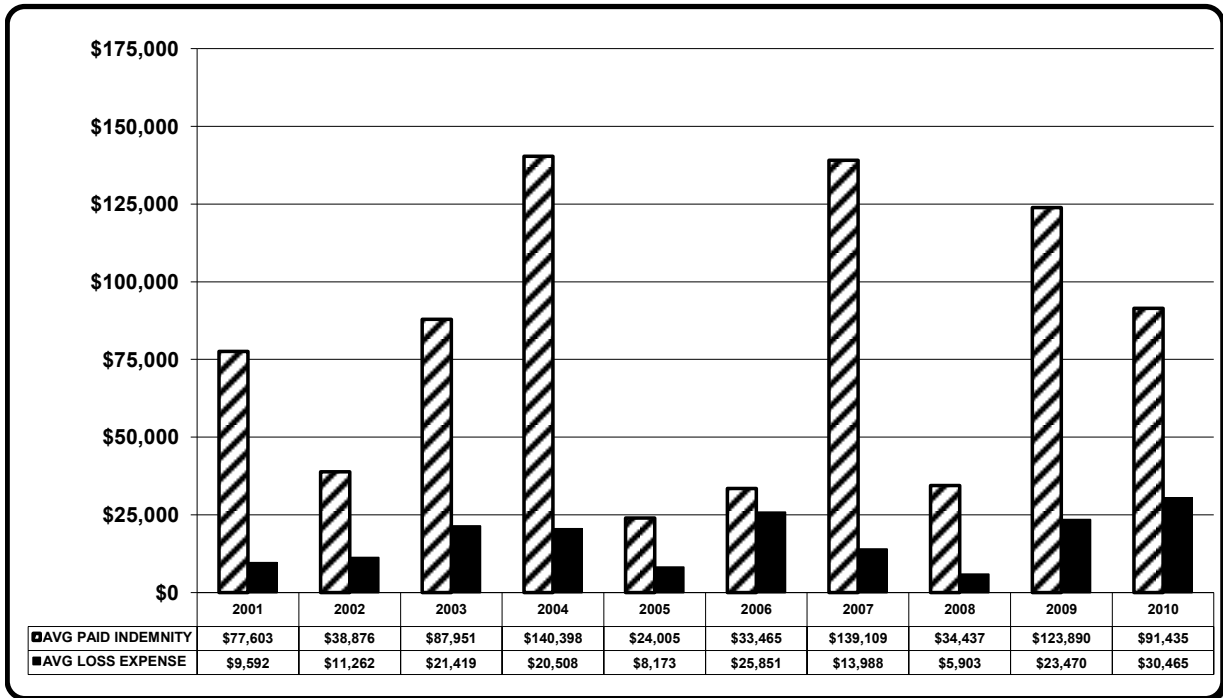


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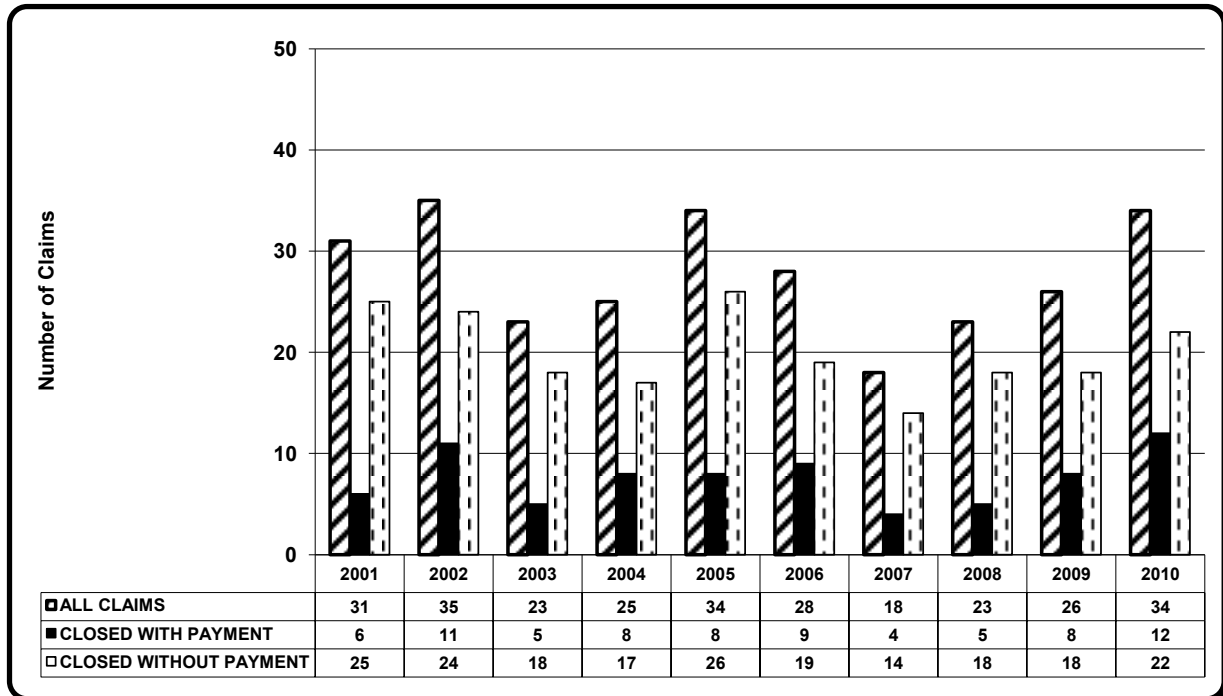


ESTATE, TRUST & PROBATE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

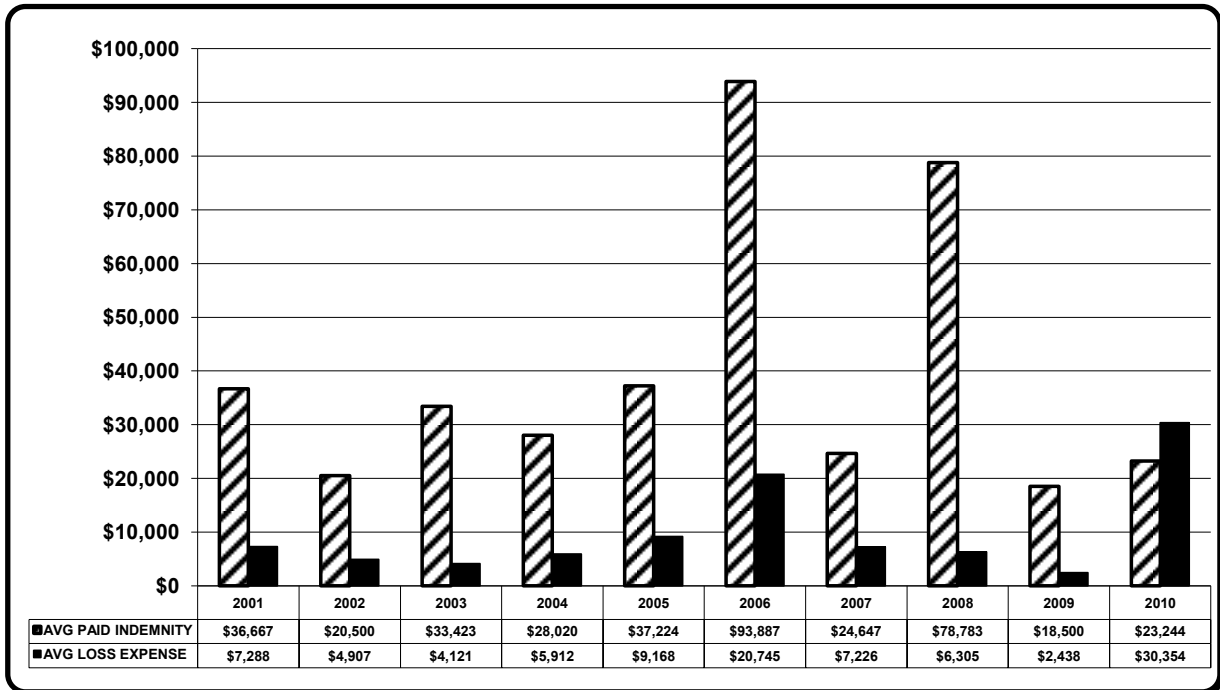


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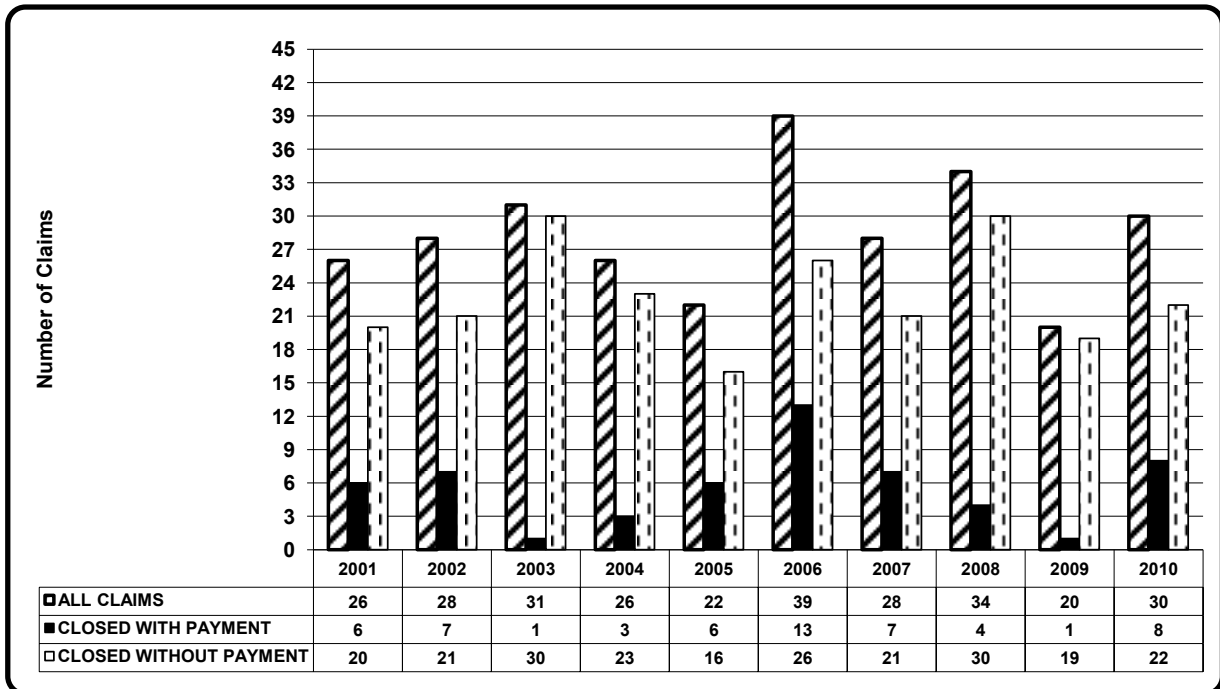


FAMILY LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

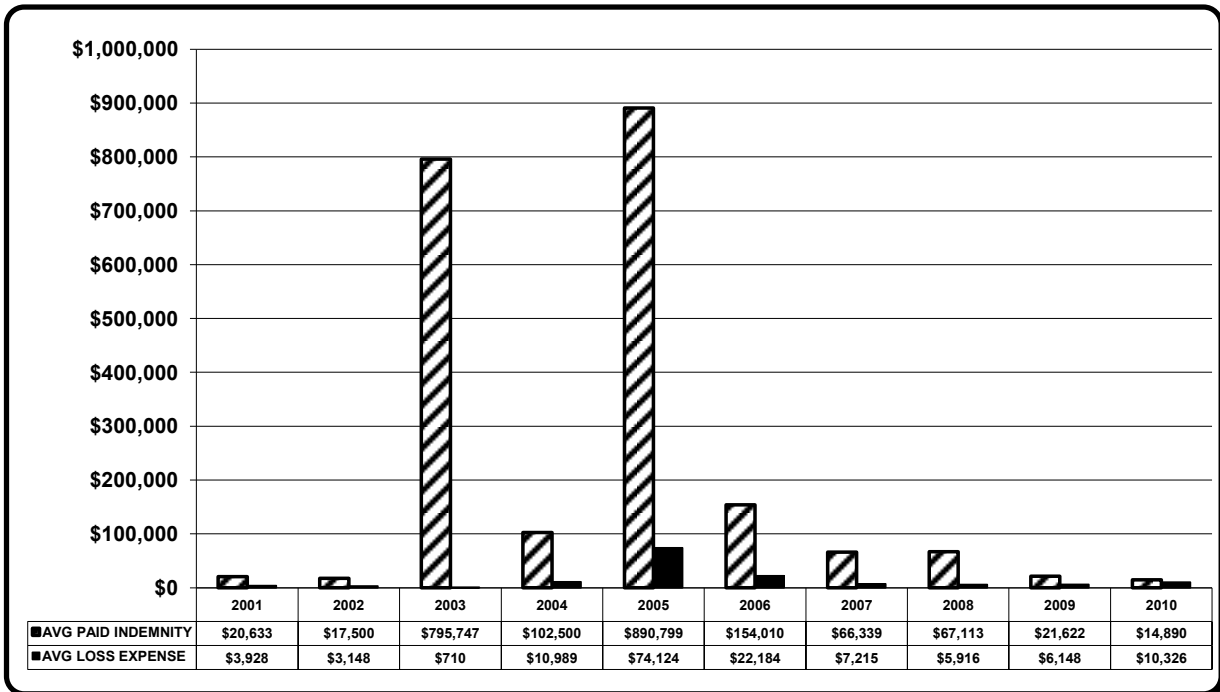


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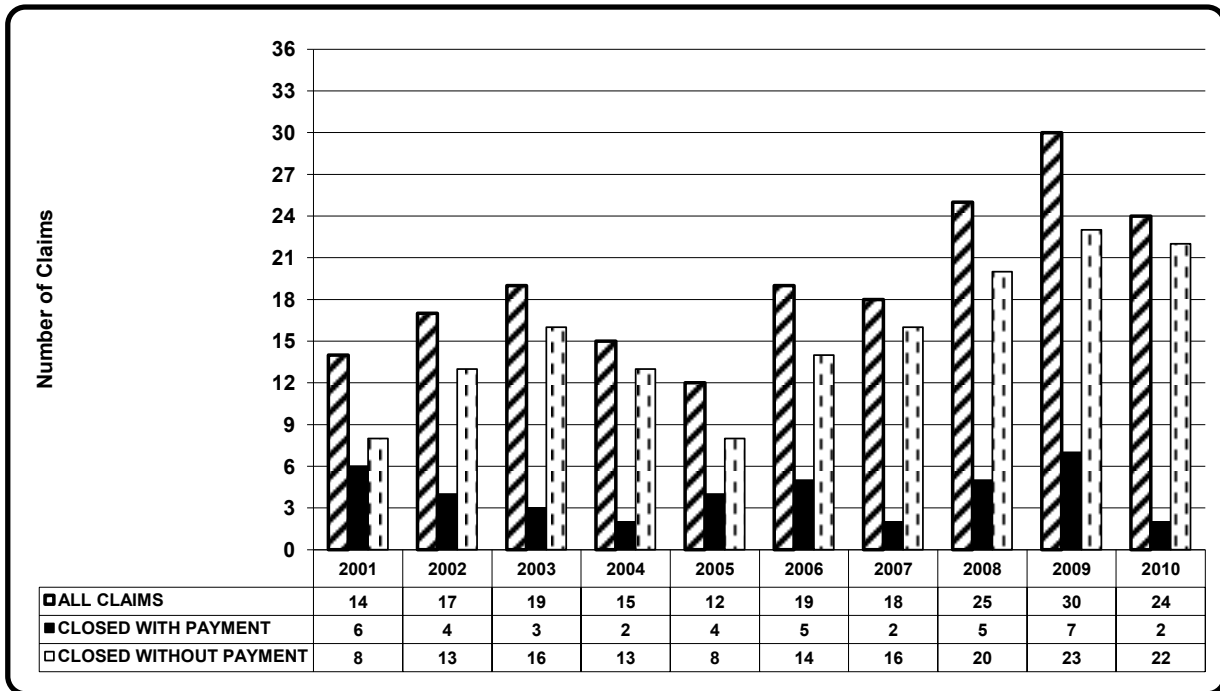


REAL ESTATE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

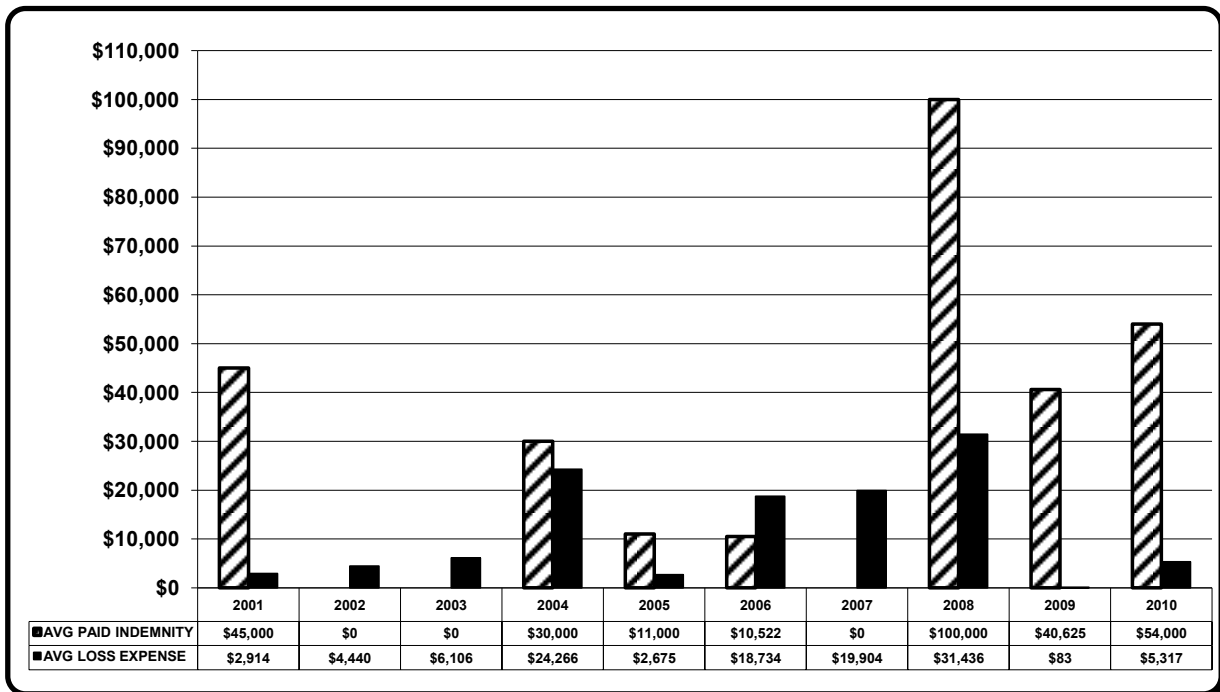


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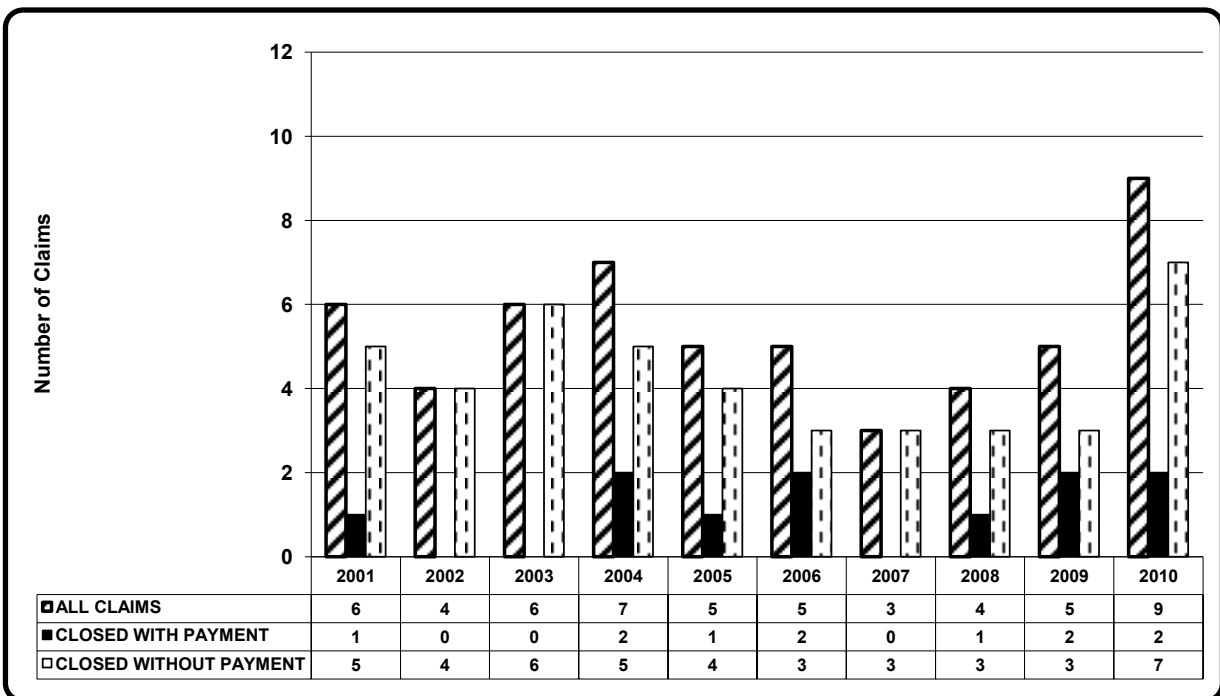


CIVIL RIGHTS & COMMISSION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

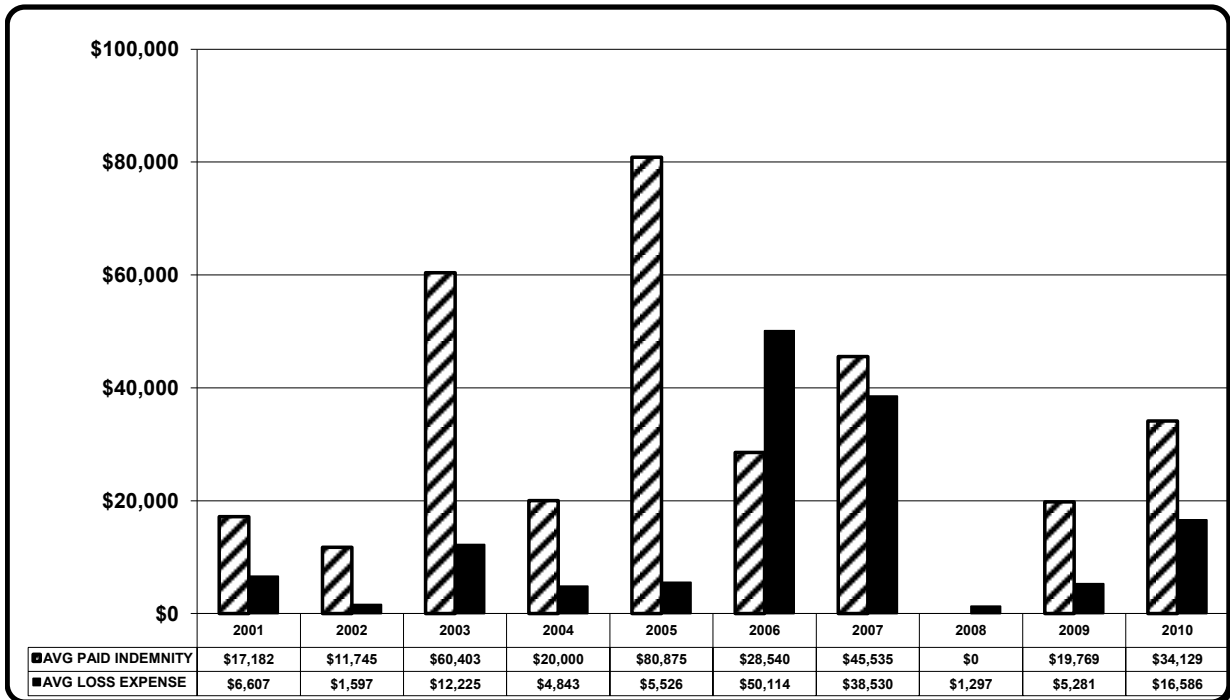


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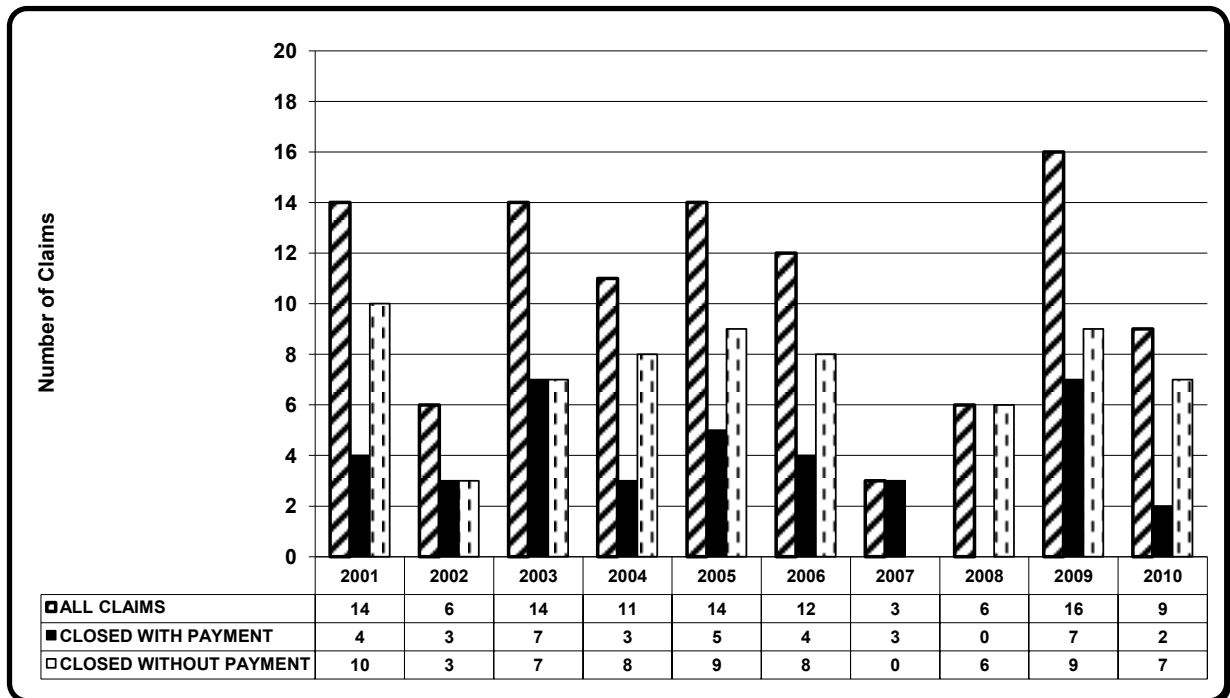


WORKERS COMPENSATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

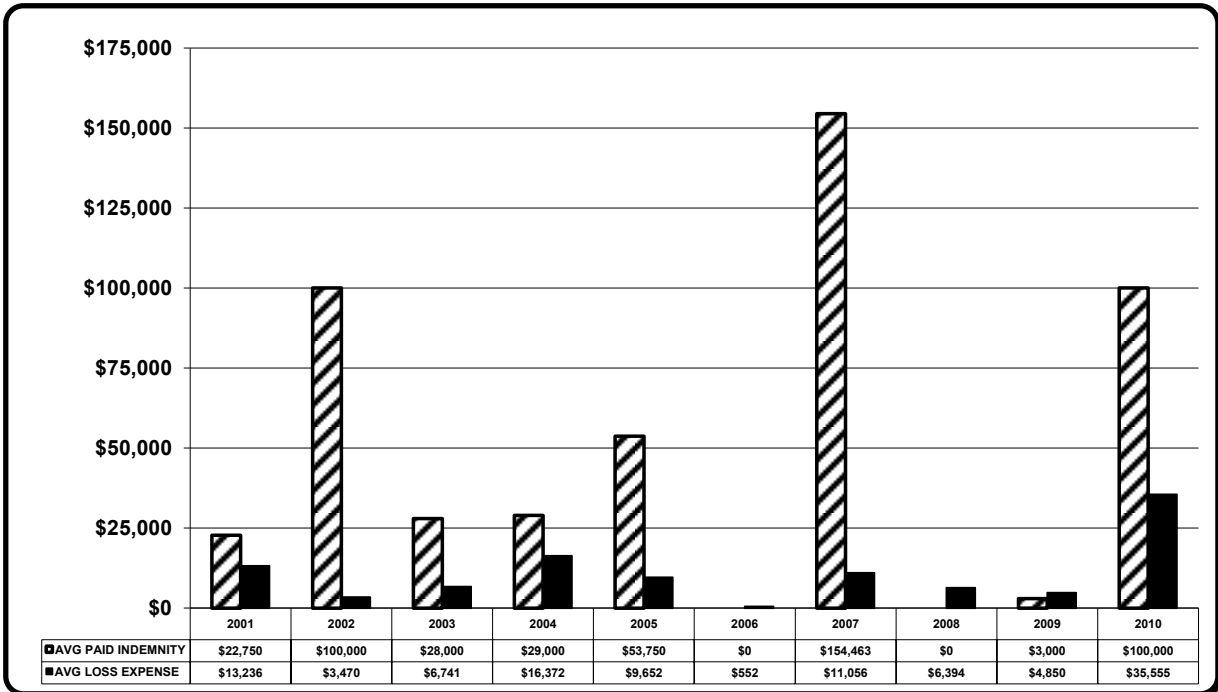


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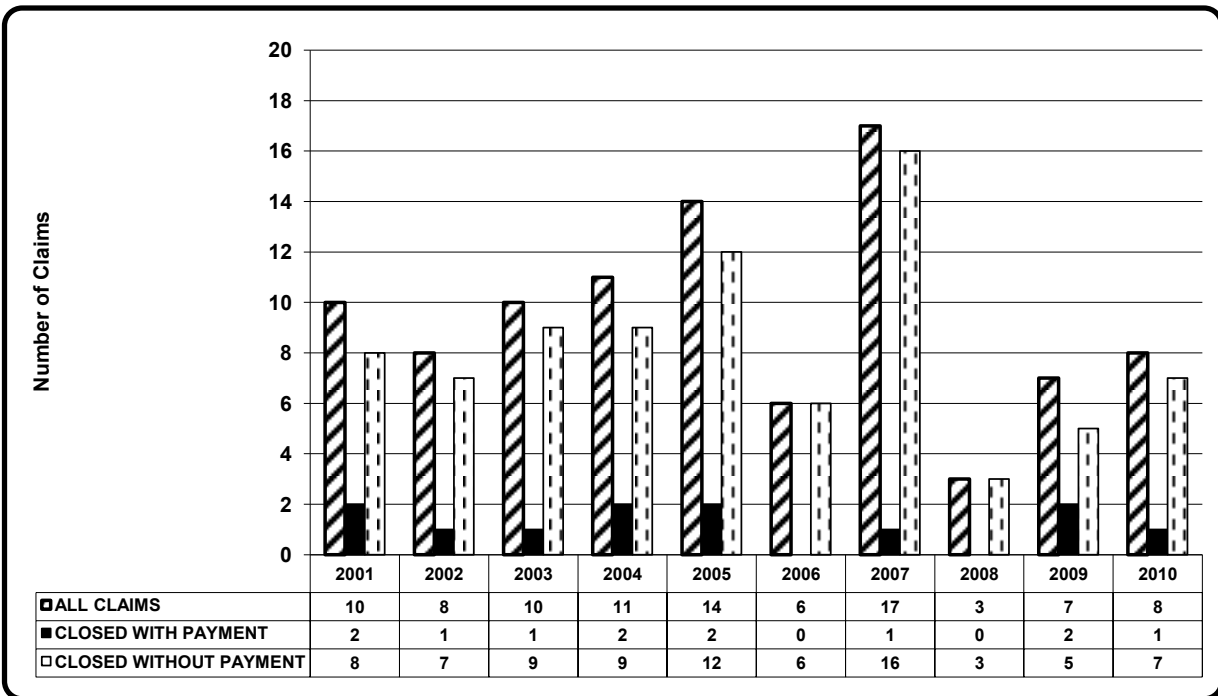


CRIMINAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

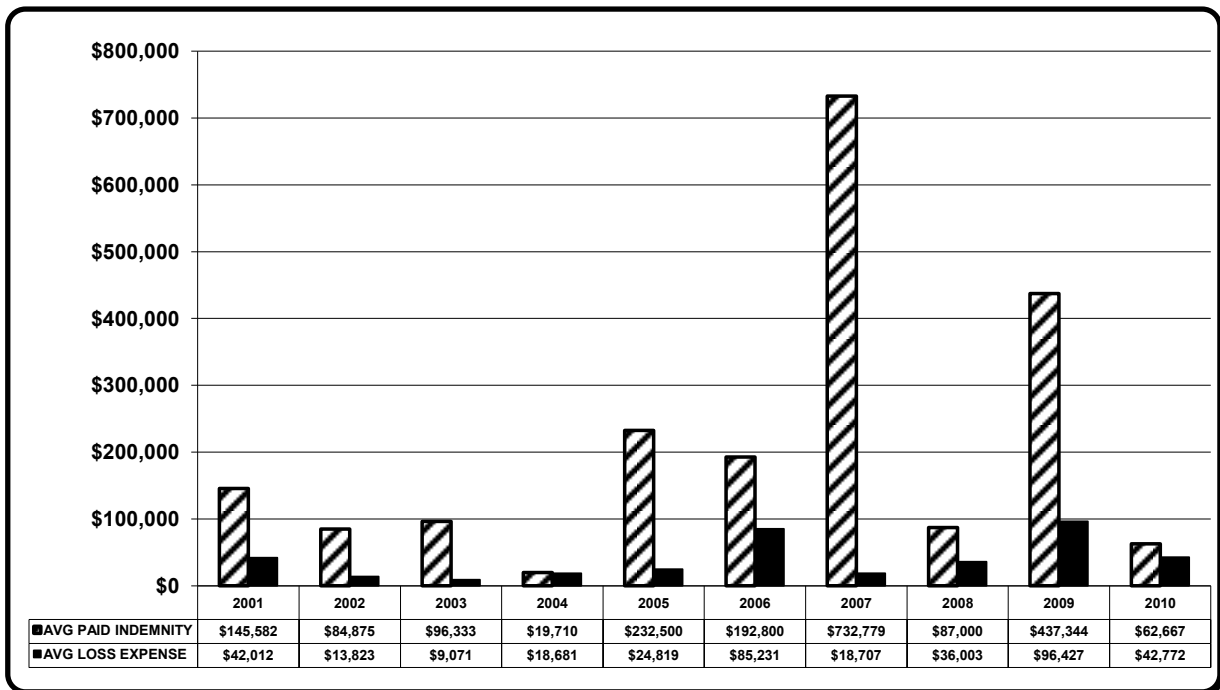


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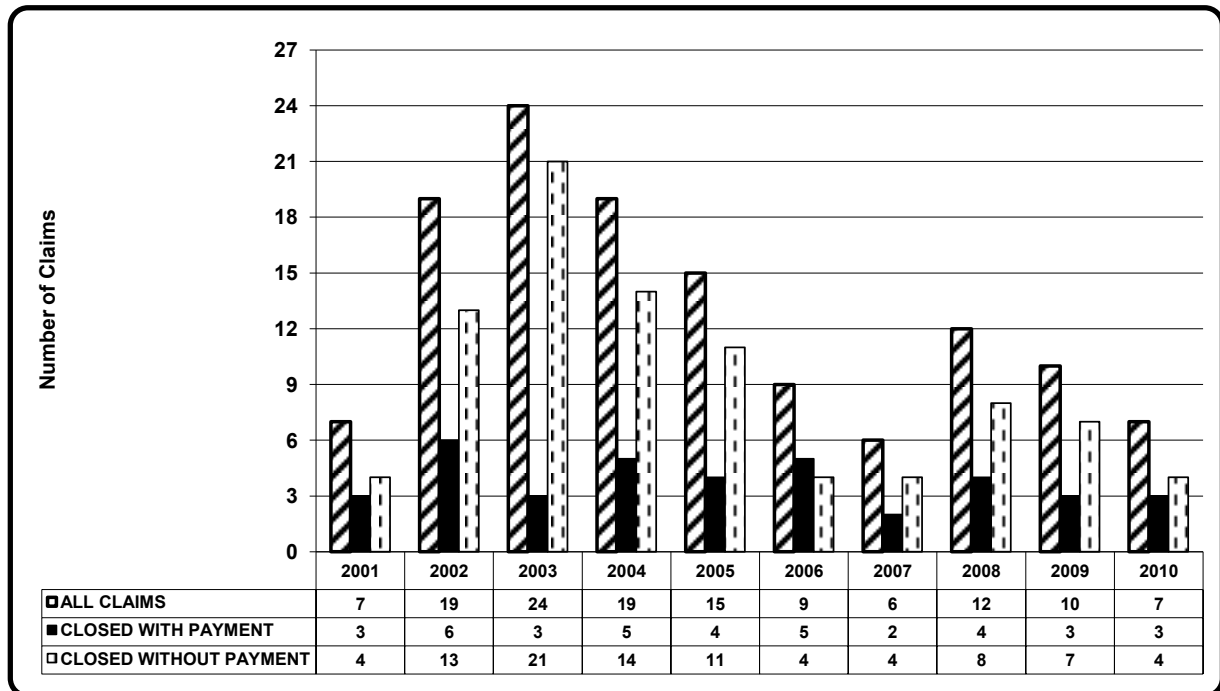


BUSINESS TRANSACTION / COMMERCIAL LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

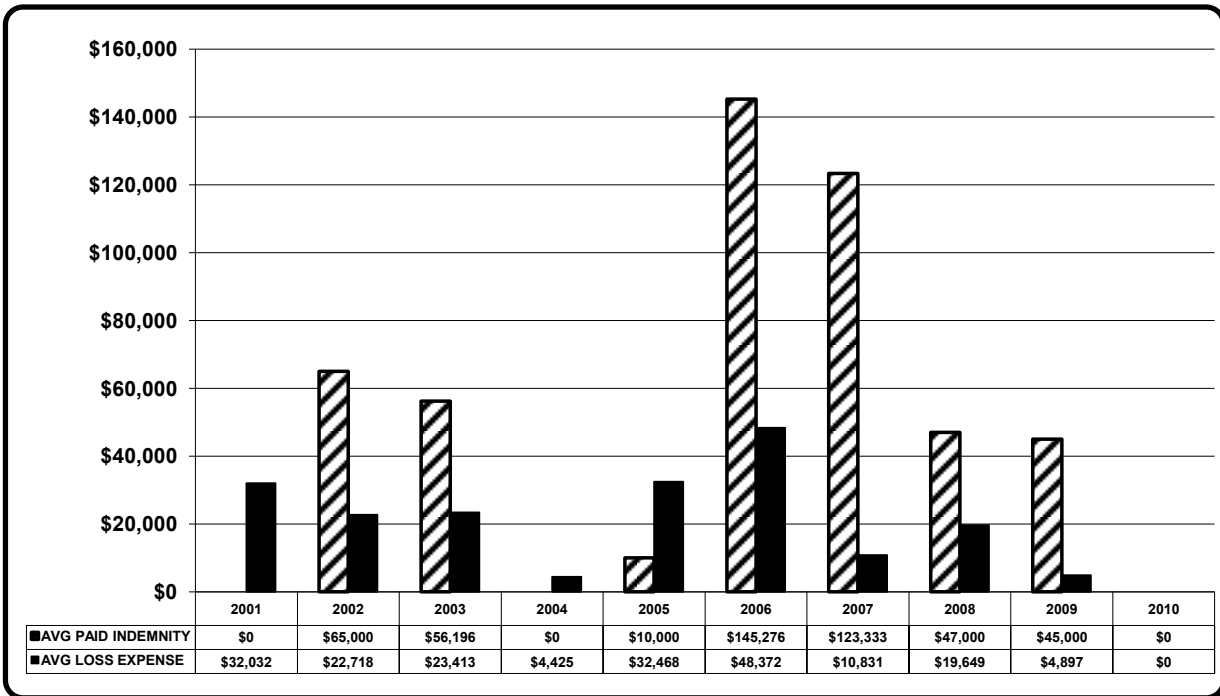


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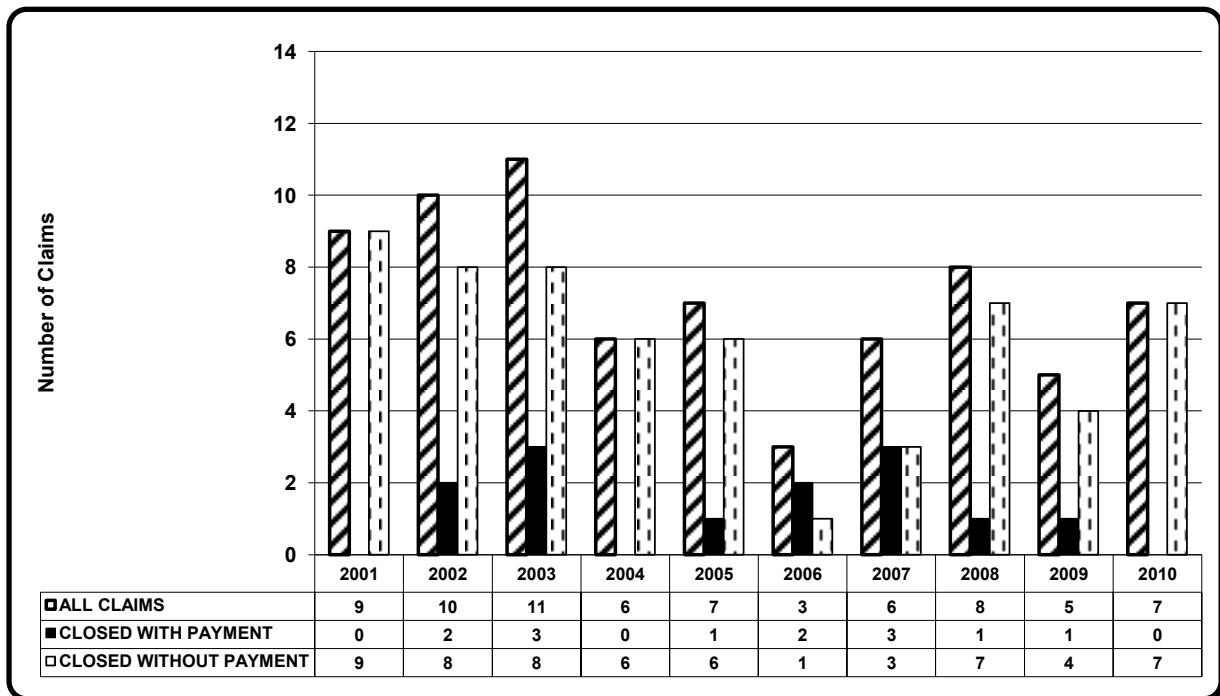


CORPORATE & BUSINESS ORGANIZATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2010 SUMMARY
BY
MAJOR ACTIVITY**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2001-2010

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
COMMENCEMENT OF ACTION OR PROCEEDING	648	225	35.21%	\$83,623	\$18,815,096	31.20%	\$2,778
OTHER	355	74	11.58%	\$61,166	\$4,526,320	7.51%	\$14,306
PREPARATION, TRANSMITTAL OR FILING	265	78	12.21%	\$63,288	\$4,936,425	8.19%	\$18,854
SETTLEMENT AND NEGOTIATION	220	53	8.29%	\$124,257	\$6,585,639	10.92%	\$17,541
PRE-TRIAL, PRE-HEARING	216	57	8.92%	\$60,623	\$3,455,485	5.73%	\$14,212
CONSULTATION OR ADVICE	187	43	6.73%	\$297,367	\$12,786,761	21.20%	\$45,399
INVESTIGATION, OTHER THAN LITIGATION	133	40	6.26%	\$50,452	\$2,018,094	3.35%	\$10,506
TRIAL OR HEARING	128	25	3.91%	\$189,618	\$4,740,459	7.86%	\$31,233
POST TRIAL OR HEARING	77	10	1.56%	\$27,412	\$274,120	0.45%	\$8,445
EX PARTE PROCEEDINGS	60	18	2.82%	\$35,258	\$634,651	1.05%	\$17,016
APPEAL ACTIVITIES	54	10	1.56%	\$57,791	\$577,908	0.96%	\$16,040
REFERRAL TO ANOTHER PROFESSIONAL	12	0	0.00%	N/A	\$0	0.00%	\$9,583
TAX REPORTING OR PAYMENT	10	3	0.47%	\$123,026	\$369,078	0.61%	\$30,067
OTHER WRITTEN OPINION	5	1	0.16%	\$574,853	\$574,853	0.95%	\$22,523
TITLE OPINION	4	2	0.31%	\$7,713	\$15,425	0.03%	\$3,002
TOTAL	2,374	639	100.00%	\$94,382	\$60,310,314	100.00%	\$15,066

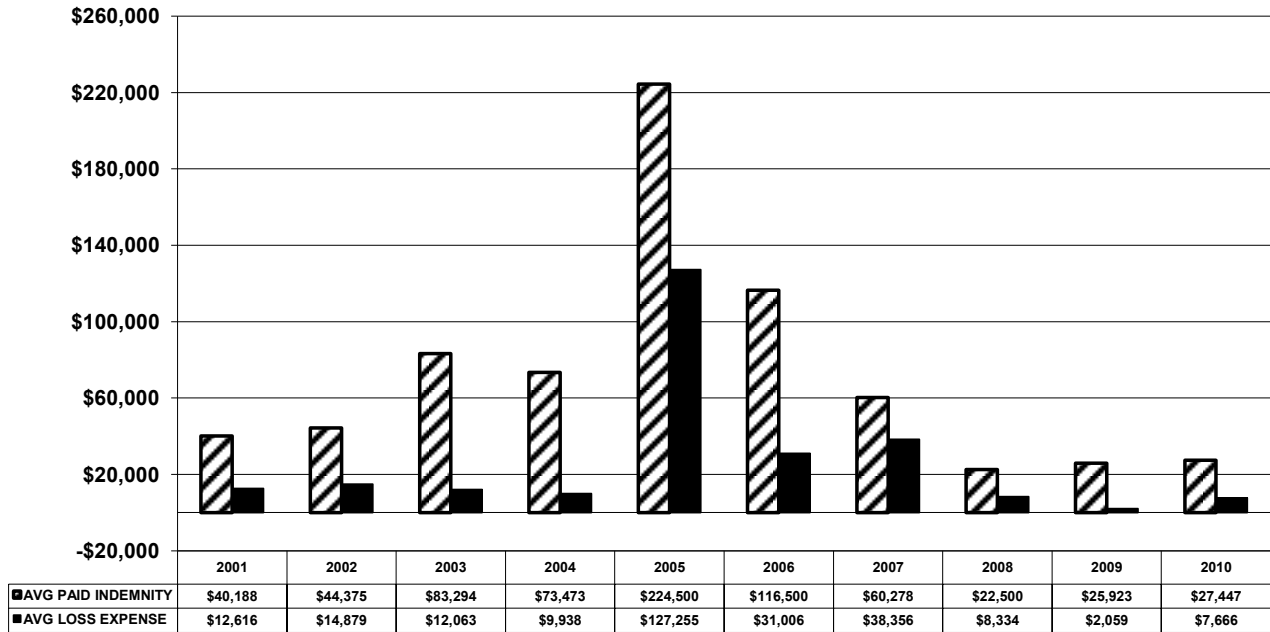
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2010

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OTHER	96	19	31.15%	\$27,447	\$521,491	7.12%	\$7,666
COMMENCEMENT OF ACTION OR PROCEEDING	59	15	24.59%	\$116,777	\$1,751,656	23.93%	\$4,044
PREPARATION, TRANSMITTAL OR FILING	21	10	16.39%	\$69,568	\$695,683	9.50%	\$41,806
PRE-TRIAL, PRE-HEARING	18	3	4.92%	\$72,115	\$216,346	2.96%	\$40,919
CONSULTATION OR ADVICE	11	3	4.92%	\$75,000	\$225,000	3.07%	\$24,956
SETTLEMENT AND NEGOTIATION	10	2	3.28%	\$1,463,067	\$2,926,134	39.97%	\$28,348
TRIAL OR HEARING	8	4	6.56%	\$114,634	\$458,534	6.26%	\$68,619
POST TRIAL OR HEARING	7	1	1.64%	\$125,000	\$125,000	1.71%	\$47,367
APPEAL ACTIVITIES	4	2	3.28%	\$58,000	\$116,000	1.58%	\$7,037
EXPARTE PROCEEDINGS	2	0	0.00%	N/A	\$0	0.00%	\$58,877
INVESTIGATION, OTHER THAN LITIGATION	2	1	1.64%	\$25,000	\$25,000	0.34%	\$8,799
REFERRAL TO ANOTHER PROFESSIONAL	2	0	0.00%	N/A	\$0	0.00%	\$0
OTHER WRITTEN OPINION	1	0	0.00%	N/A	\$0	0.00%	\$0
TAX REPORTING OR PAYMENT	1	1	1.64%	\$260,024	\$260,024	3.55%	\$239,976
TOTAL	242	61	100.00%	\$120,014	\$7,320,868	100.00%	\$18,310

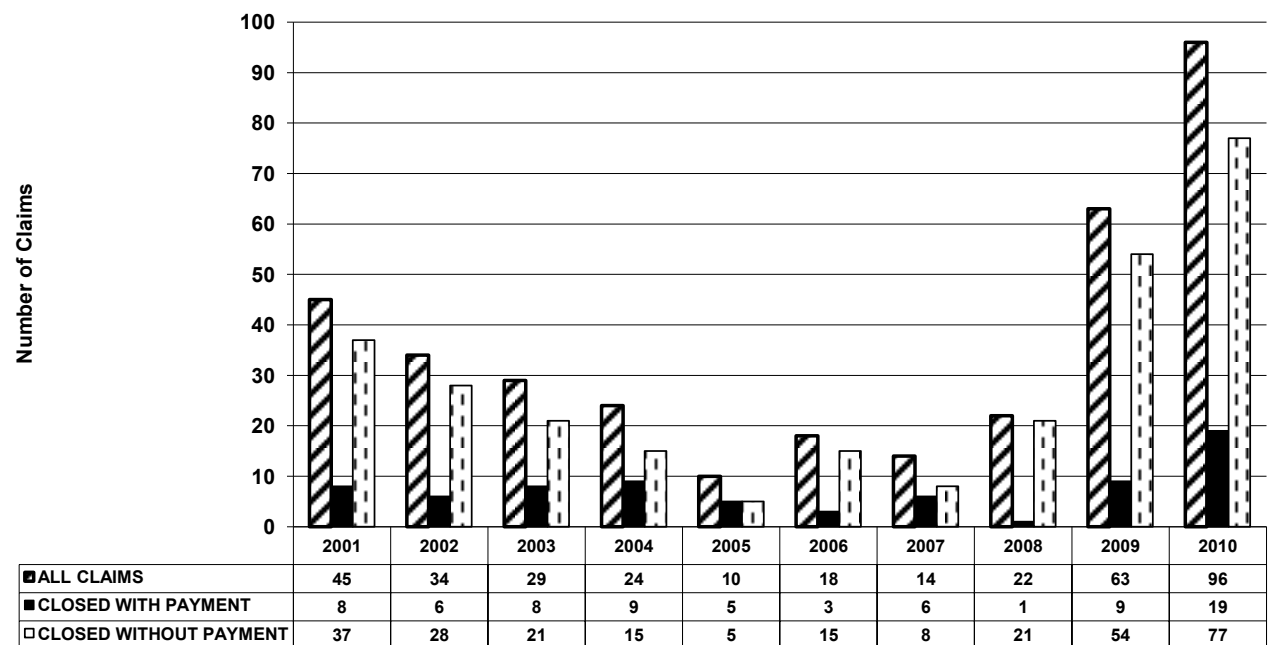
**TRENDS
OF THE TOP TEN
MAJOR ACTIVITY
OF 2010**

OTHER

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

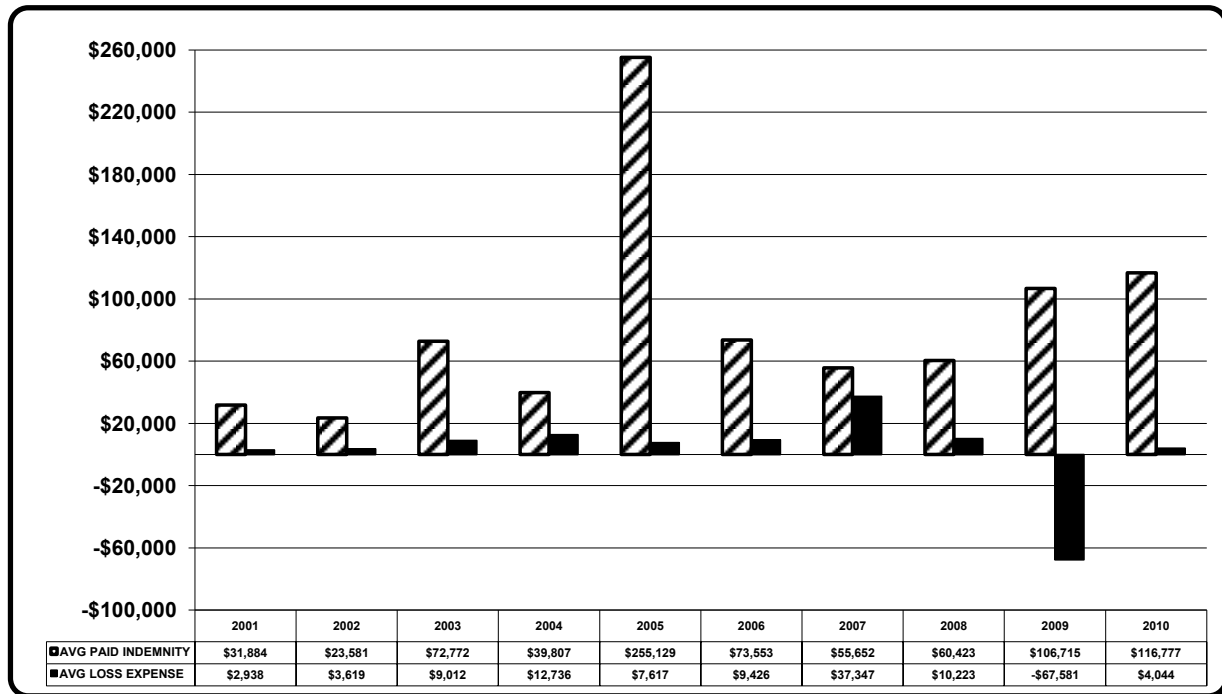


CLAIM COUNT

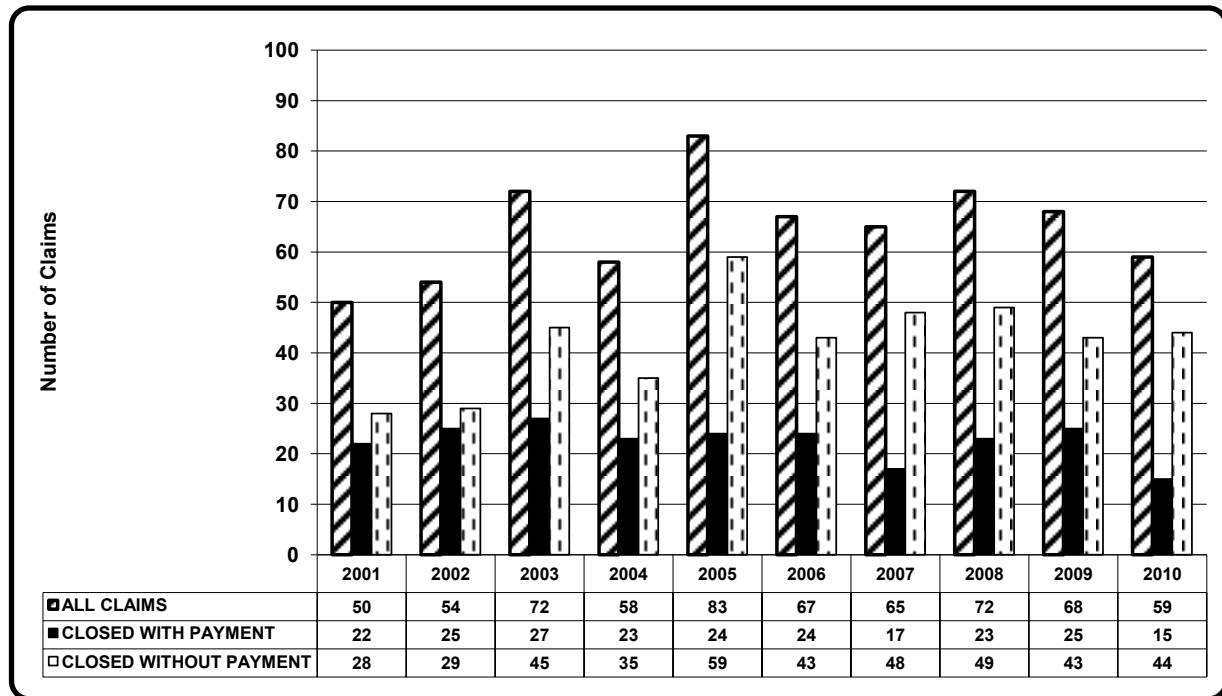


COMMENCEMENT OF ACTION OR PROCEEDING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

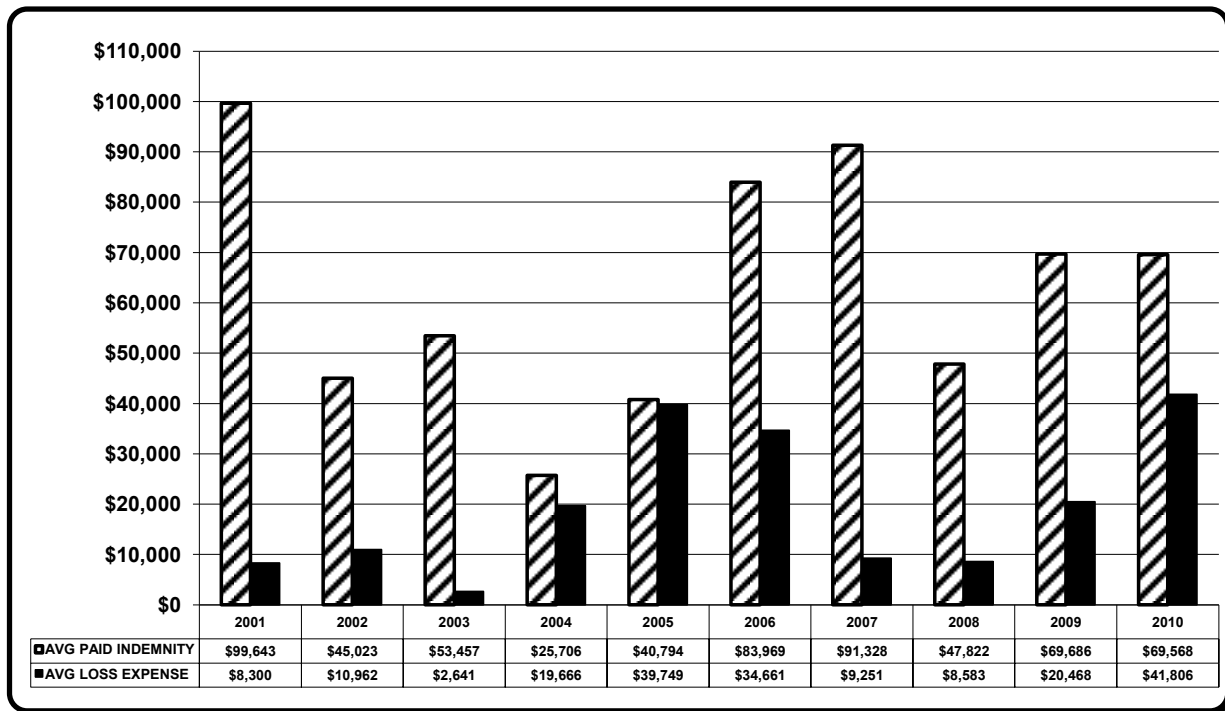


CLAIM COUNT

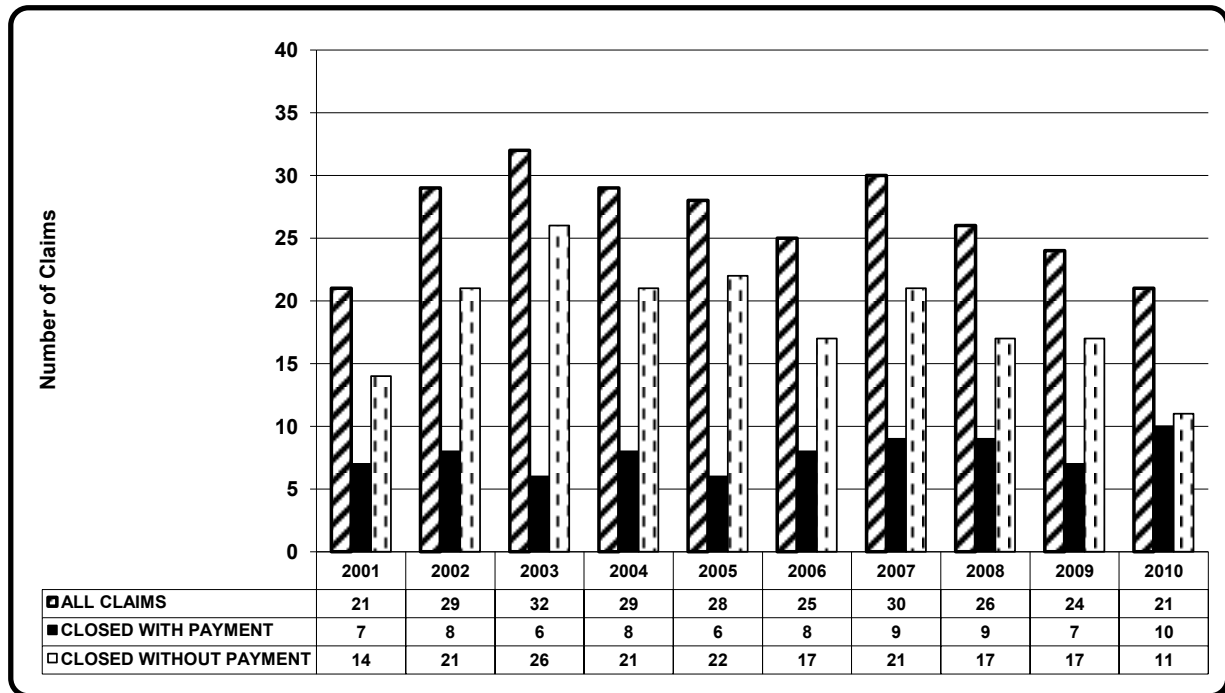


PREPARATION, TRANSMITTAL OR FILING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

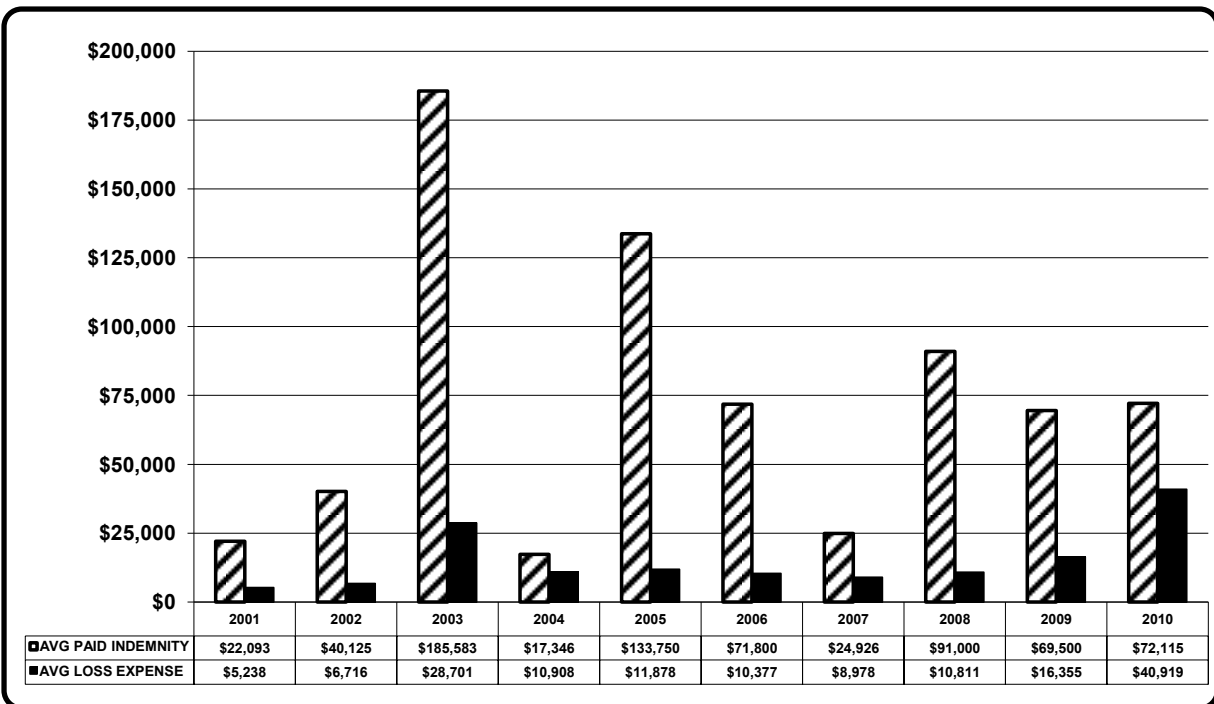


CLAIM COUNT

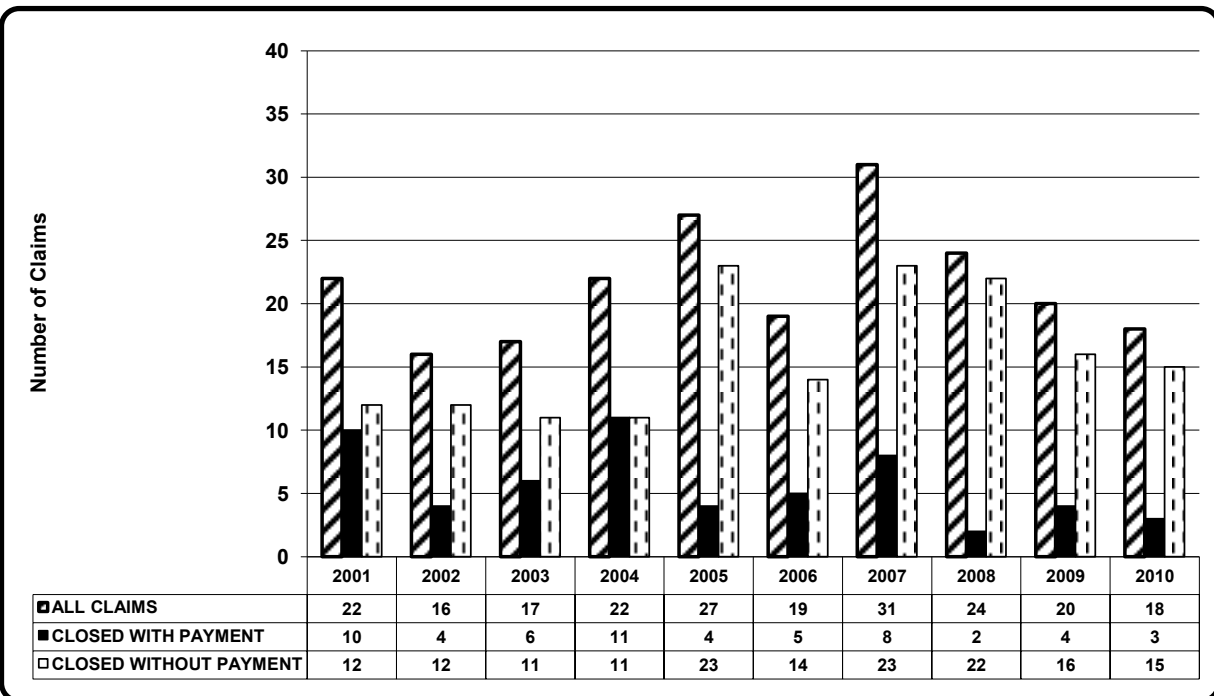


PRE-TRIAL, PRE-HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

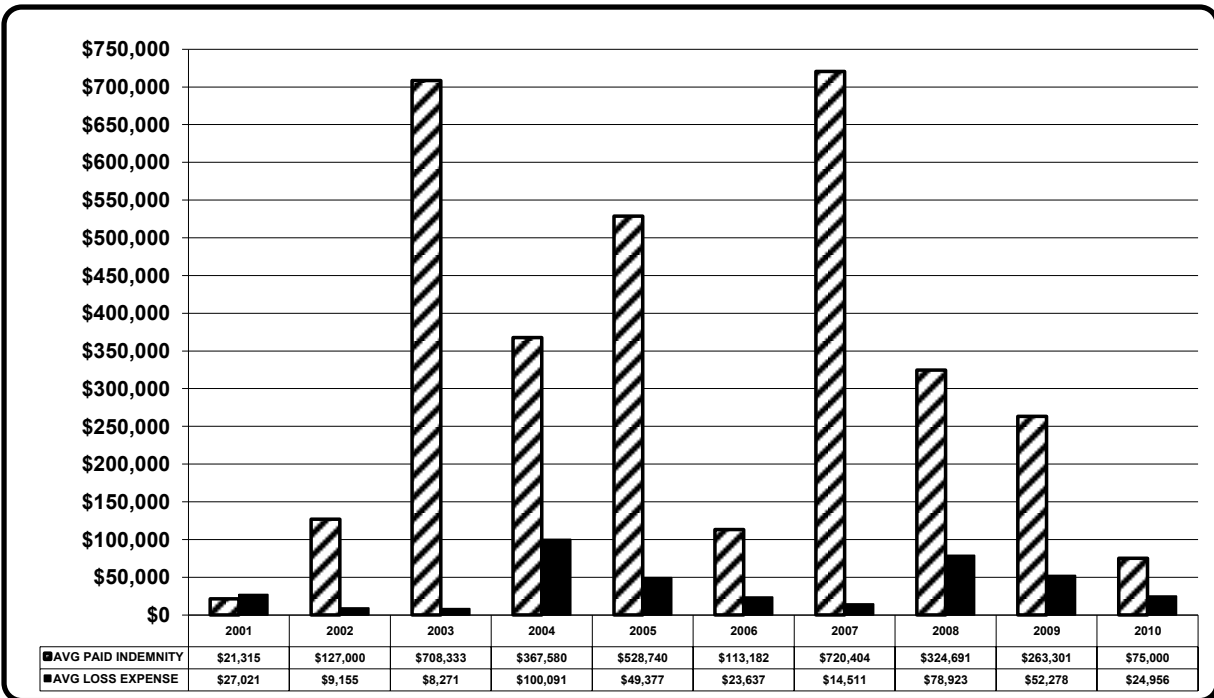


CLAIM COUNT

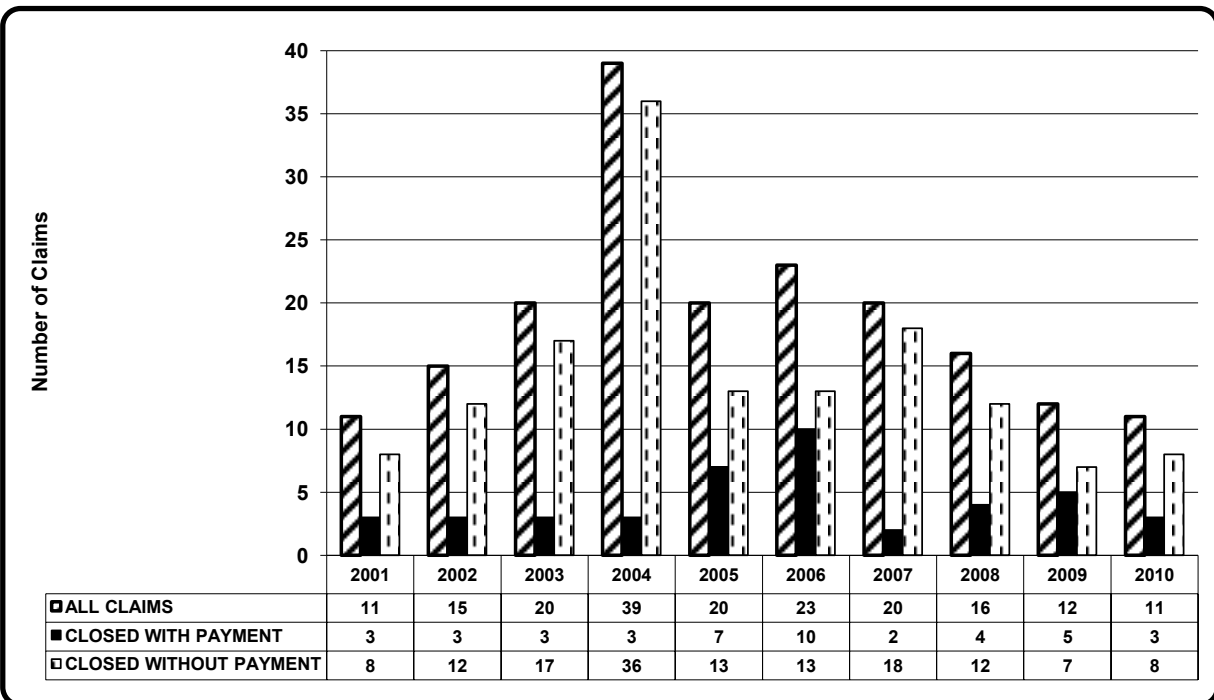


CONSULTATION OR ADVICE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

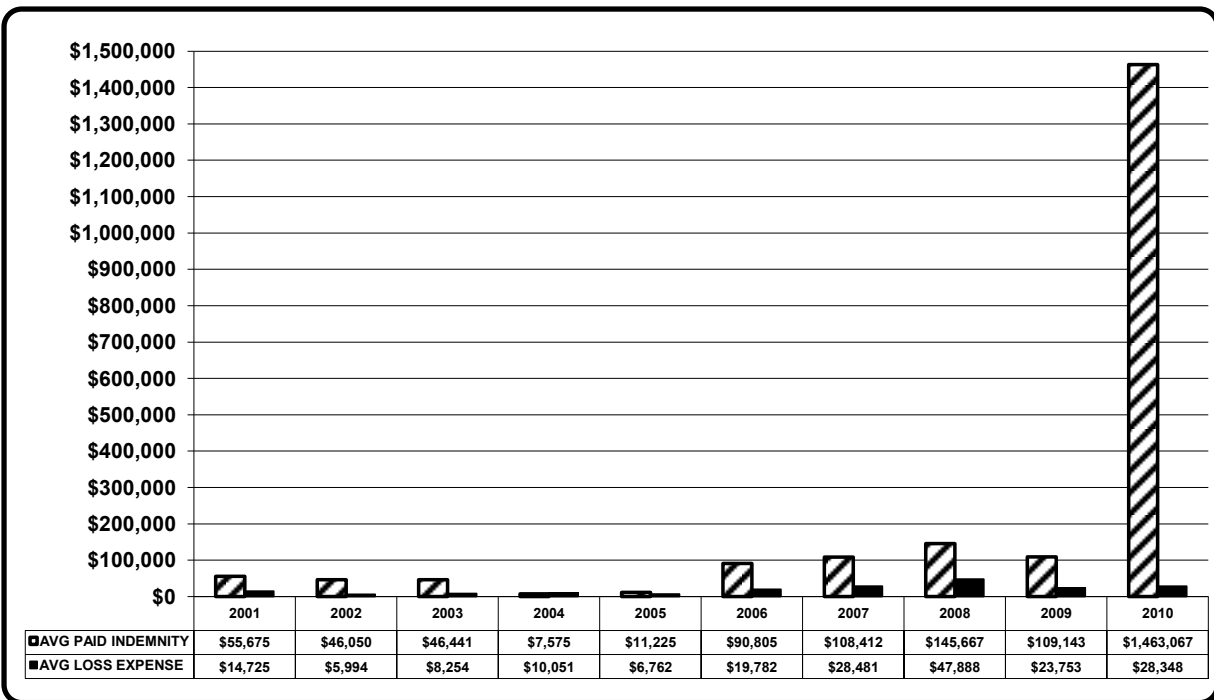


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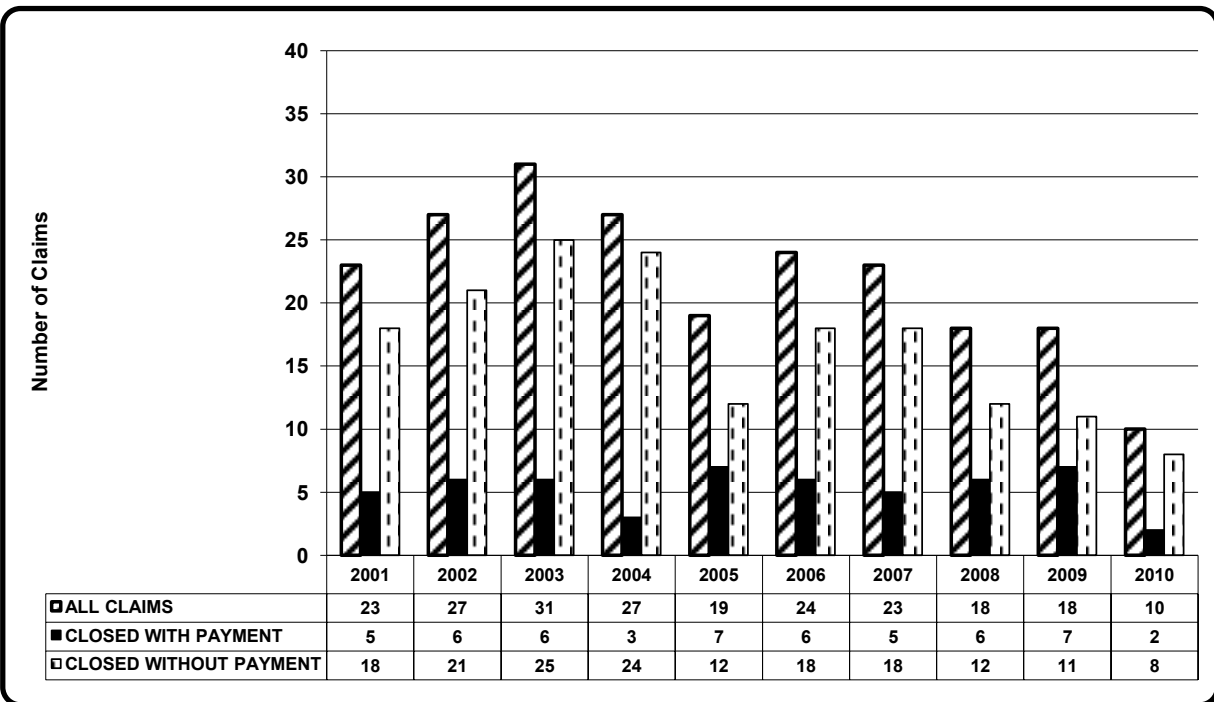


SETTLEMENT & NEGOTIATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

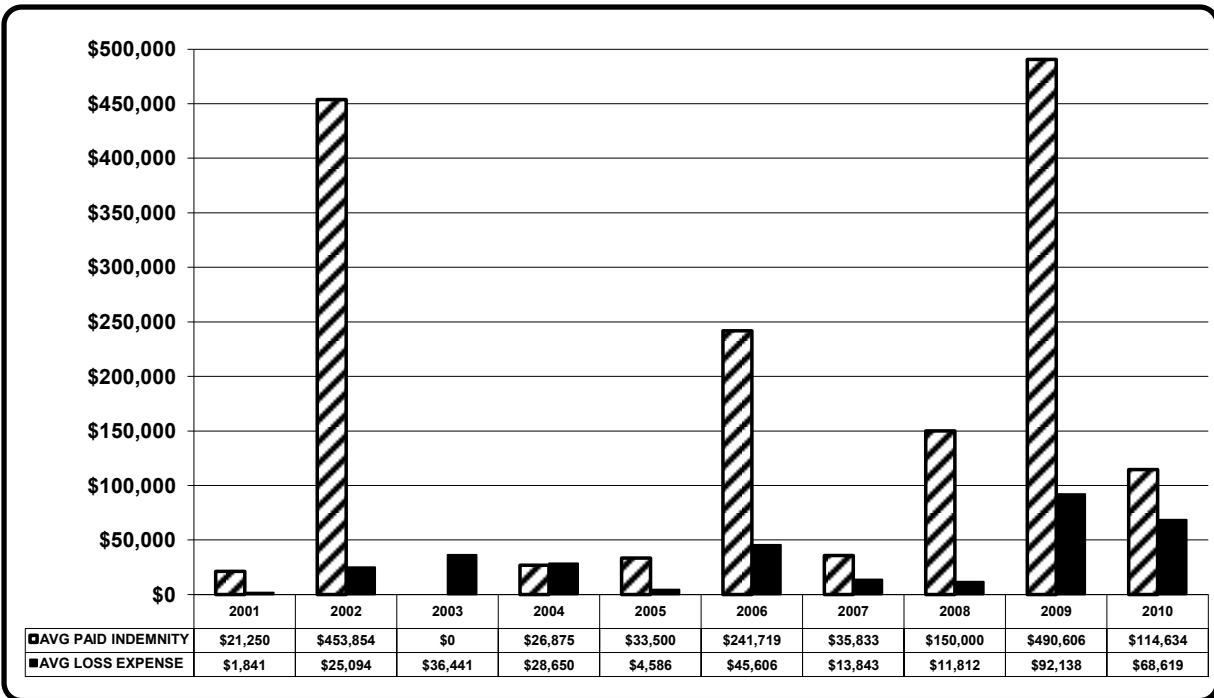


CLAIM COUNT

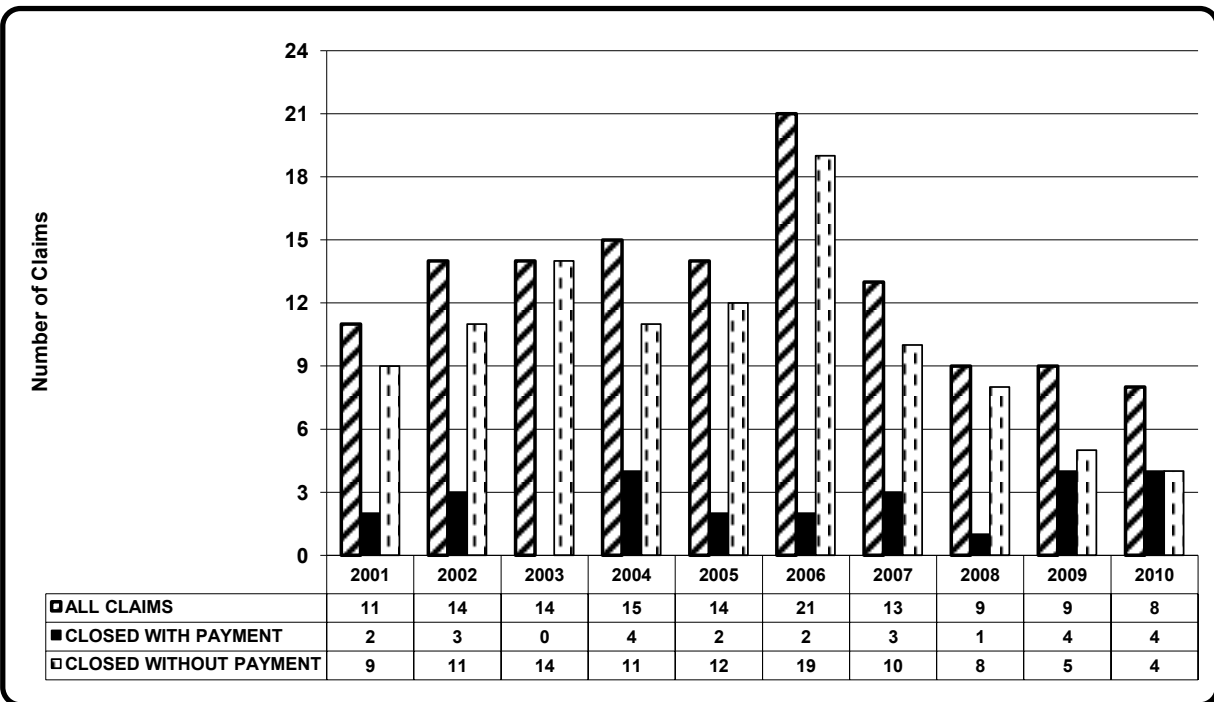


TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

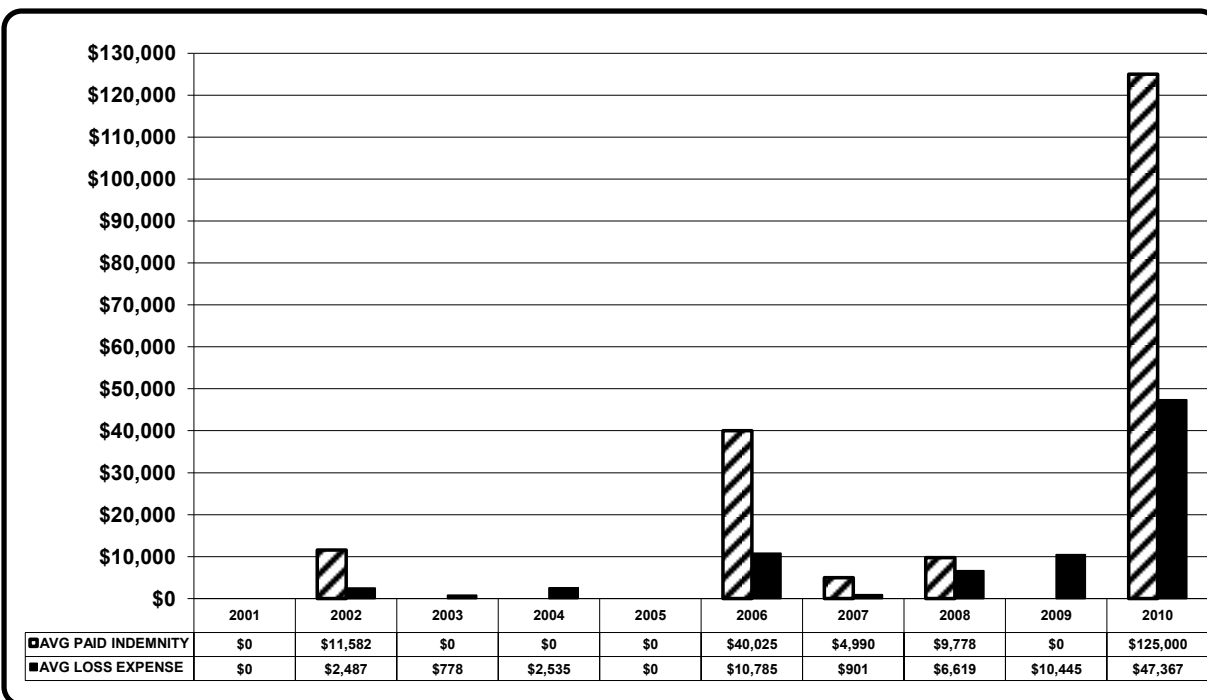


CLAIM COUNT

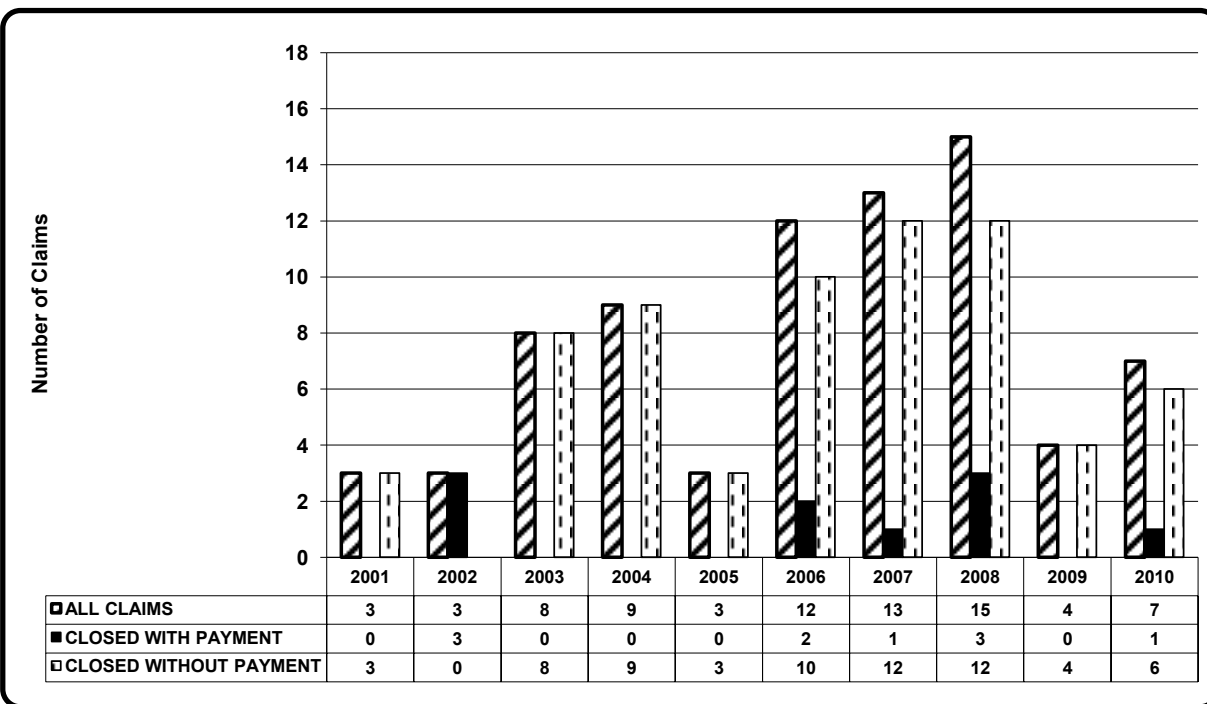


POST TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

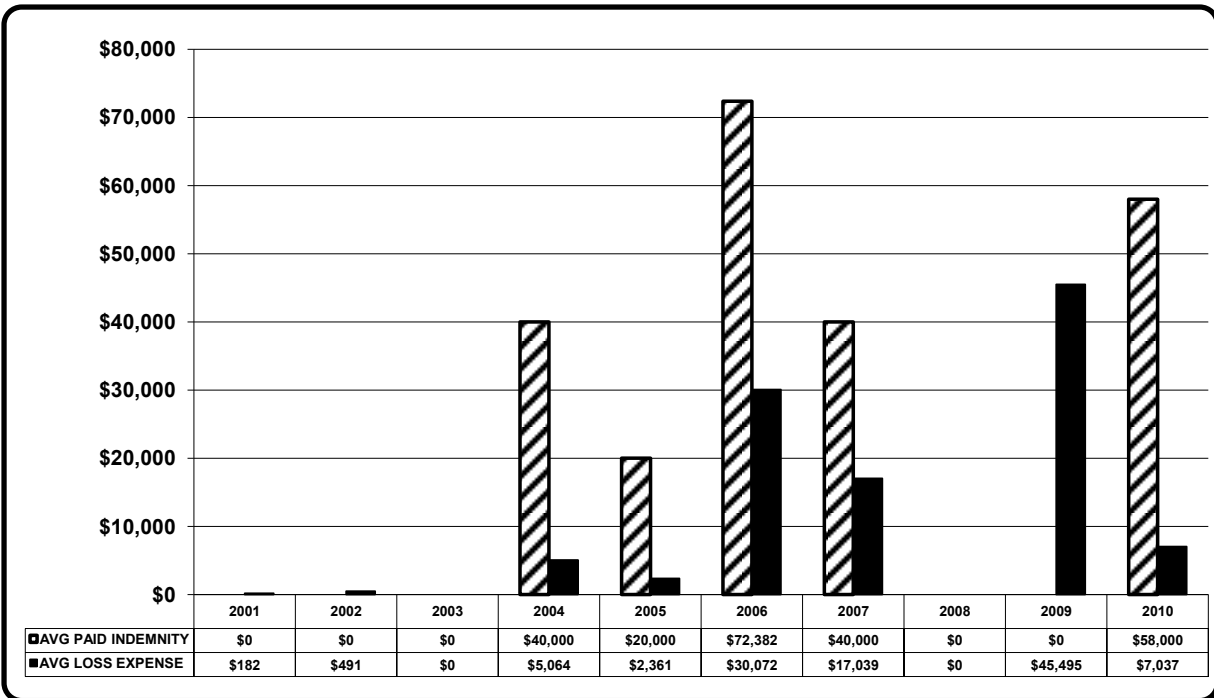


CLAIM COUNT

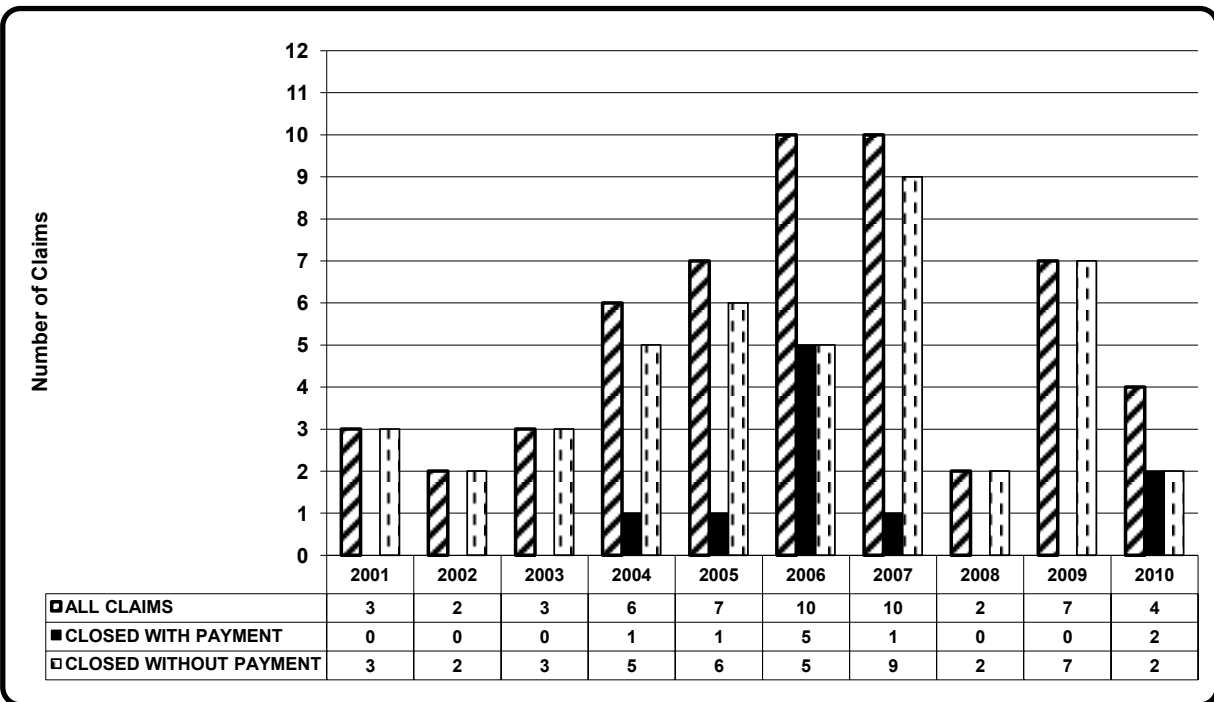


APPEAL ACTIVITIES

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

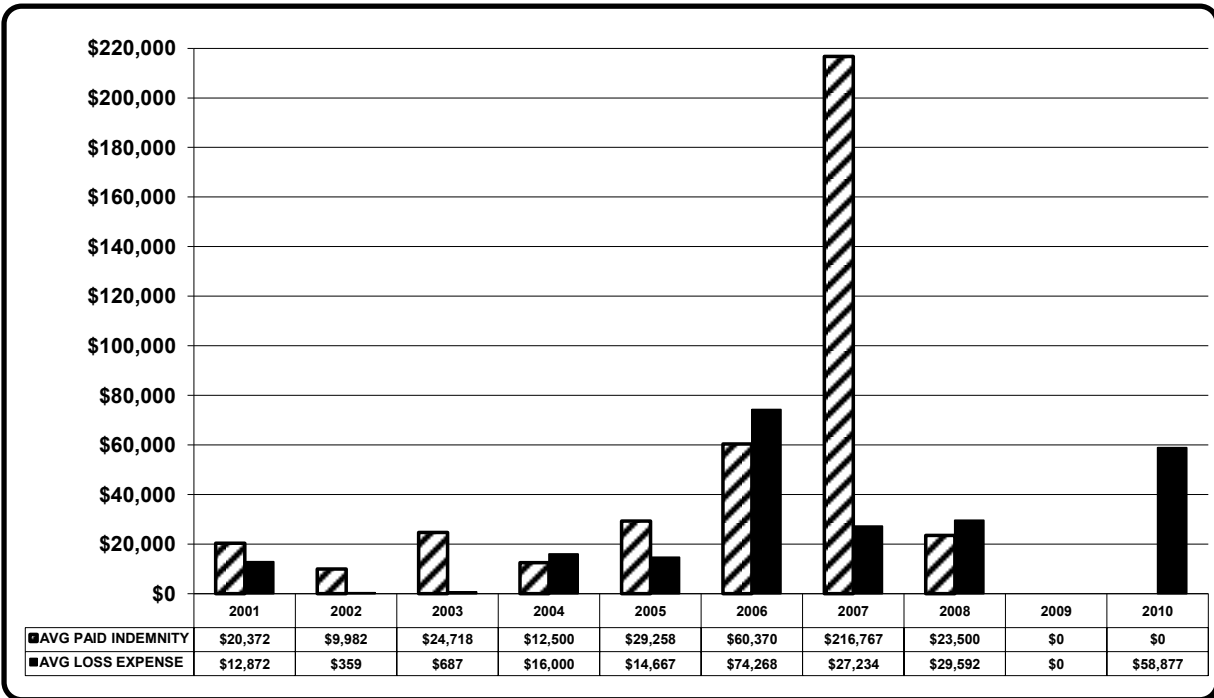


CLAIM COUNT

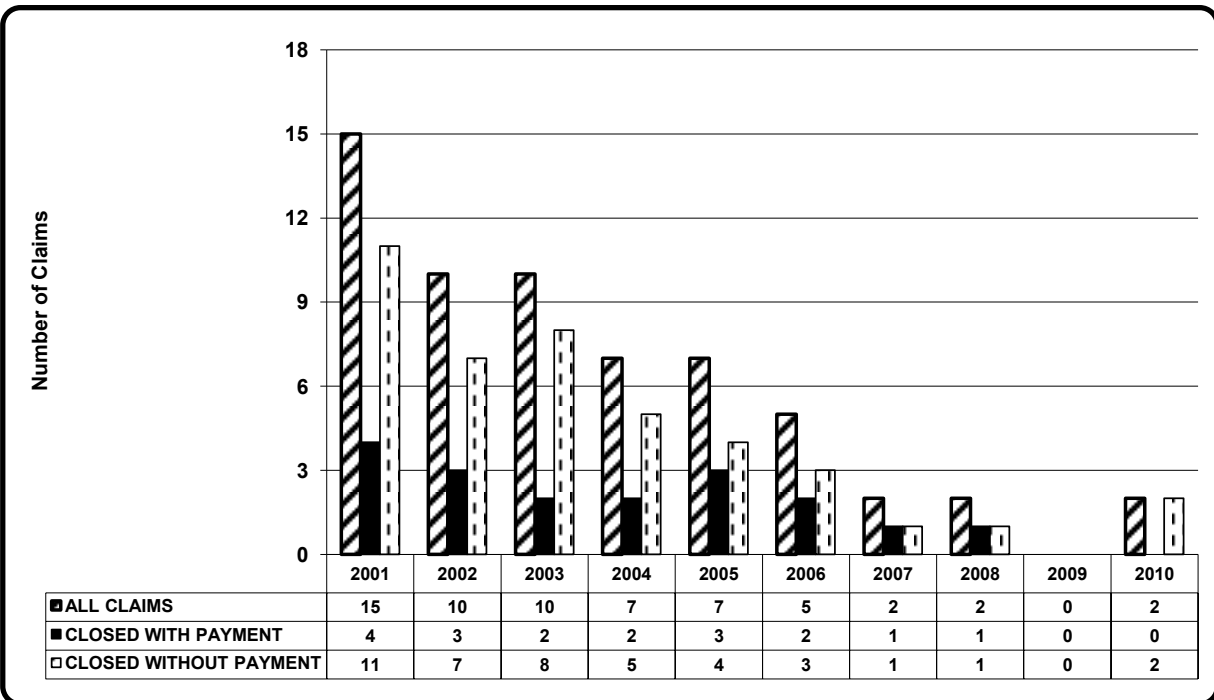


EXPARTE PROCEEDINGS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2010 SUMMARY
BY
ALLEGED ERRORS OR OMISSIONS**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2001-2010

ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
FAIL TO ASCERTAIN DEADLINE CORRECTLY	369	151	23.63%	\$71,039	\$10,726,873	17.79%	\$2,356
OTHER	319	55	8.61%	\$66,319	\$3,647,570	6.05%	\$9,787
PLANNING OR STRATEGY ERROR	234	62	9.70%	\$242,918	\$15,060,936	24.97%	\$34,006
PROCRASTINATION OR LACK OF FOLLOW-UP	208	55	8.61%	\$132,364	\$7,280,019	12.07%	\$16,349
FAIL TO KNOW OR PROPERLY APPLY THE LAW	169	45	7.04%	\$151,647	\$6,824,113	11.32%	\$21,046
INADEQUATE INVESTIGATION	127	28	4.38%	\$70,929	\$1,986,004	3.29%	\$21,755
FAIL TO FOLLOW CLIENTS INSTRUCTIONS	113	20	3.13%	\$78,098	\$1,561,961	2.59%	\$14,924
FAILURE TO REACT TO CALENDAR	106	47	7.36%	\$49,456	\$2,324,443	3.85%	\$5,287
MALICIOUS PROSECUTION OR ABUSE OF PROCESS	93	13	2.03%	\$19,462	\$253,000	0.42%	\$11,745
FAIL TO FILE DOCUMENTS WITH NO DEADLINE	90	24	3.76%	\$70,574	\$1,693,773	2.81%	\$16,332
CONFLICT OF INTEREST	78	19	2.97%	\$145,182	\$2,758,449	4.57%	\$26,145
FAIL TO OBTAIN CLIENTS CONSENT	78	12	1.88%	\$59,720	\$716,634	1.19%	\$48,586
FAILURE TO CALENDAR PROPERLY	76	41	6.42%	\$66,599	\$2,730,542	4.53%	\$10,039
FRAUD	71	12	1.88%	\$51,510	\$618,119	1.02%	\$17,538
CLERICAL ERROR	66	24	3.76%	\$22,654	\$543,705	0.90%	\$2,625
VIOLATION OF CIVIL RIGHTS	45	3	0.47%	\$66,667	\$200,000	0.33%	\$6,074
ERROR IN MATHEMATICAL CALCULATION	30	8	1.25%	\$64,996	\$519,968	0.86%	\$8,135
IMPROPER WITHDRAWAL FROM REPRESENTATION	30	8	1.25%	\$37,339	\$298,710	0.50%	\$7,282
LIBEL OR SLANDER	25	1	0.16%	\$21,300	\$21,300	0.04%	\$4,591
ERROR IN PUBLIC RECORD SEARCH	20	5	0.78%	\$78,822	\$394,109	0.65%	\$14,797
FAIL TO ANTICIPATE TAX CONSEQUENCES	18	4	0.63%	\$31,272	\$125,086	0.21%	\$1,677
LOST FILE, DOCUMENT OR EVIDENCE	8	2	0.31%	\$12,500	\$25,000	0.04%	\$12,680
NOT SPECIFIED	1	0	0.00%	N/A	\$0	0.00%	\$0
TOTAL	2,374	639	100.00%	\$94,382	\$60,310,314	100.00%	\$15,066

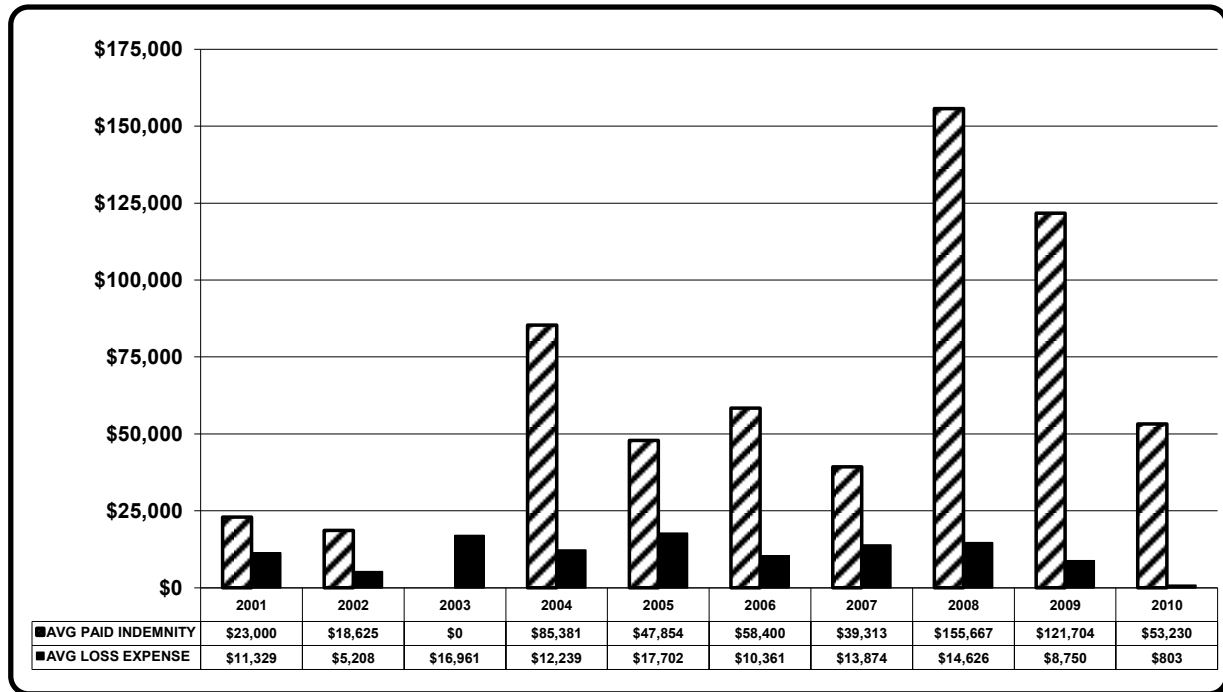
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2010

ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY		TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
				PAID	PER PAID CLAIM			
OTHER	55	11	18.03%	\$53,230		\$585,529	8.00%	\$803
FAIL TO ASCERTAIN DEADLINE CORRECTLY	40	13	21.31%	\$62,308		\$810,000	11.06%	\$4,629
PLANNING OR STRATEGY ERROR	28	10	16.39%	\$384,386		\$3,843,858	52.51%	\$53,513
INADEQUATE INVESTIGATION	21	5	8.20%	\$30,390		\$151,950	2.08%	\$29,488
FAIL TO FOLLOW CLIENTS INSTRUCTIONS	15	1	1.64%	\$13,000		\$13,000	0.18%	\$5,745
PROCRASTINATION OR LACK OF FOLLOW-UP	14	3	4.92%	\$29,035		\$87,105	1.19%	\$45,209
FAIL TO KNOW OR PROPERLY APPLY THE LAW	13	5	8.20%	\$95,154		\$475,770	6.50%	\$32,624
FAIL TO FILE DOCUMENTS WITH NO DEADLINE	9	3	4.92%	\$54,683		\$164,048	2.24%	\$10,866
MALICIOUS PROSECUTION OR ABUSE OF PROCESS	9	2	3.28%	\$16,250		\$32,500	0.44%	\$35,895
FAILURE TO CALENDAR PROPERLY	7	5	8.20%	\$182,422		\$912,108	12.46%	\$19,861
FRAUD	7	0	0.00%	N/A		\$0	0.00%	\$25,715
FAIL TO OBTAIN CLIENTS CONSENT	5	0	0.00%	N/A		\$0	0.00%	\$0
CONFLICT OF INTEREST	4	0	0.00%	N/A		\$0	0.00%	\$20,634
CLERICAL ERROR	3	0	0.00%	N/A		\$0	0.00%	\$0
FAIL TO ANTICIPATE TAX CONSEQUENCES	3	1	1.64%	\$15,000		\$15,000	0.20%	\$0
VIOLATION OF CIVIL RIGHTS	3	1	1.64%	\$100,000		\$100,000	1.37%	\$10,088
ERROR IN MATHEMATICAL CALCULATION	2	1	1.64%	\$130,000		\$130,000	1.78%	\$28,800
ERROR IN PUBLIC RECORD SEARCH	1	0	0.00%	N/A		\$0	0.00%	\$0
FAILURE TO REACT TO CALENDAR	1	0	0.00%	N/A		\$0	0.00%	\$5,542
LIBEL OR SLANDER	1	0	0.00%	N/A		\$0	0.00%	\$25,000
NOT SPECIFIED	1	0	0.00%	N/A		\$0	0.00%	\$0
TOTAL	242	61	100.00%	\$120,014		\$7,320,868	100.00%	\$18,310

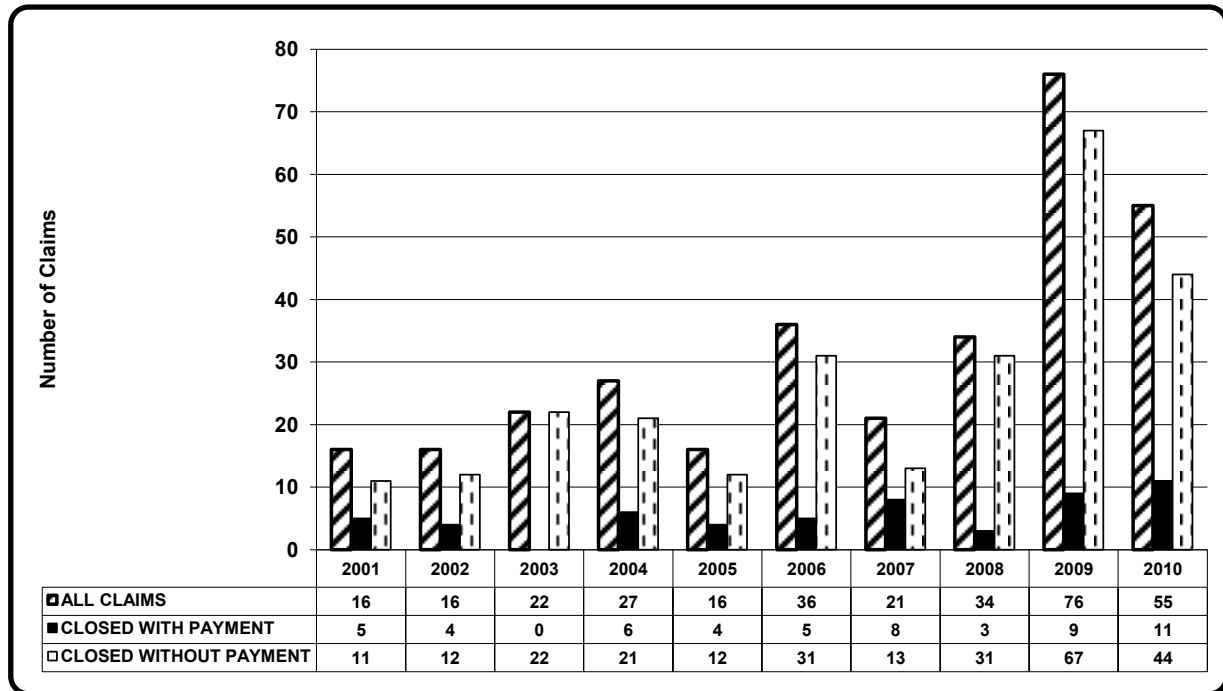
**TRENDS
OF THE TOP TEN
ERRORS OR OMISSIONS
OF 2010**

OTHER

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

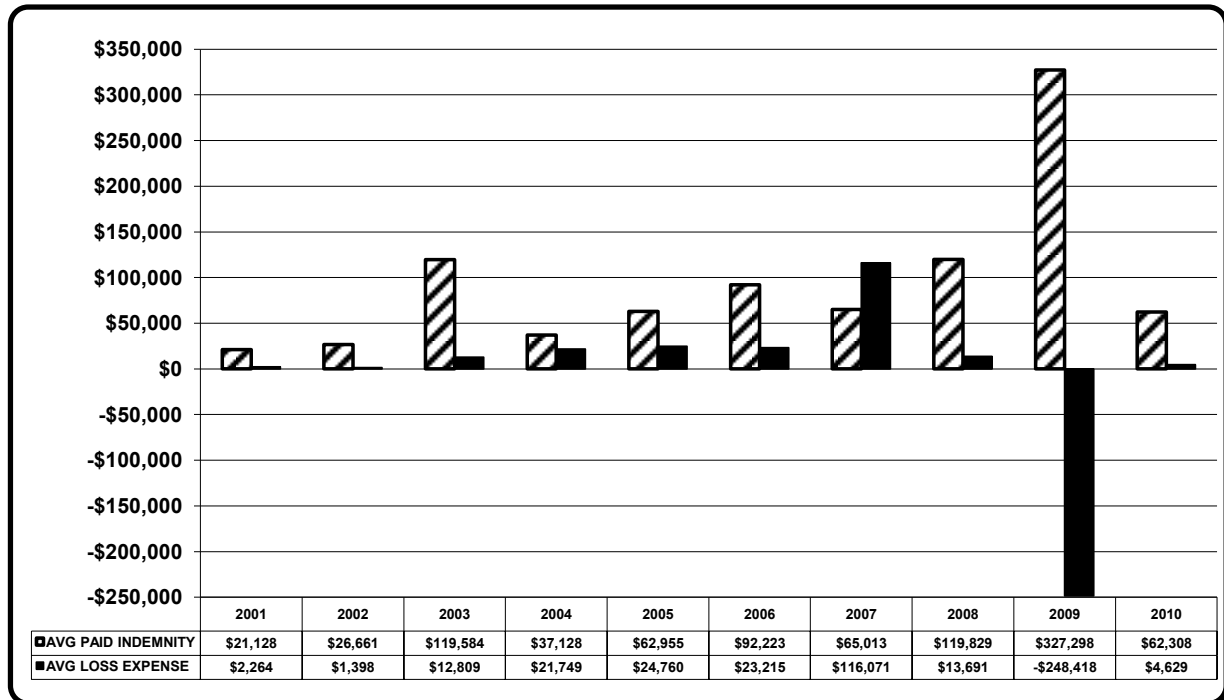


CLAIM COUNT

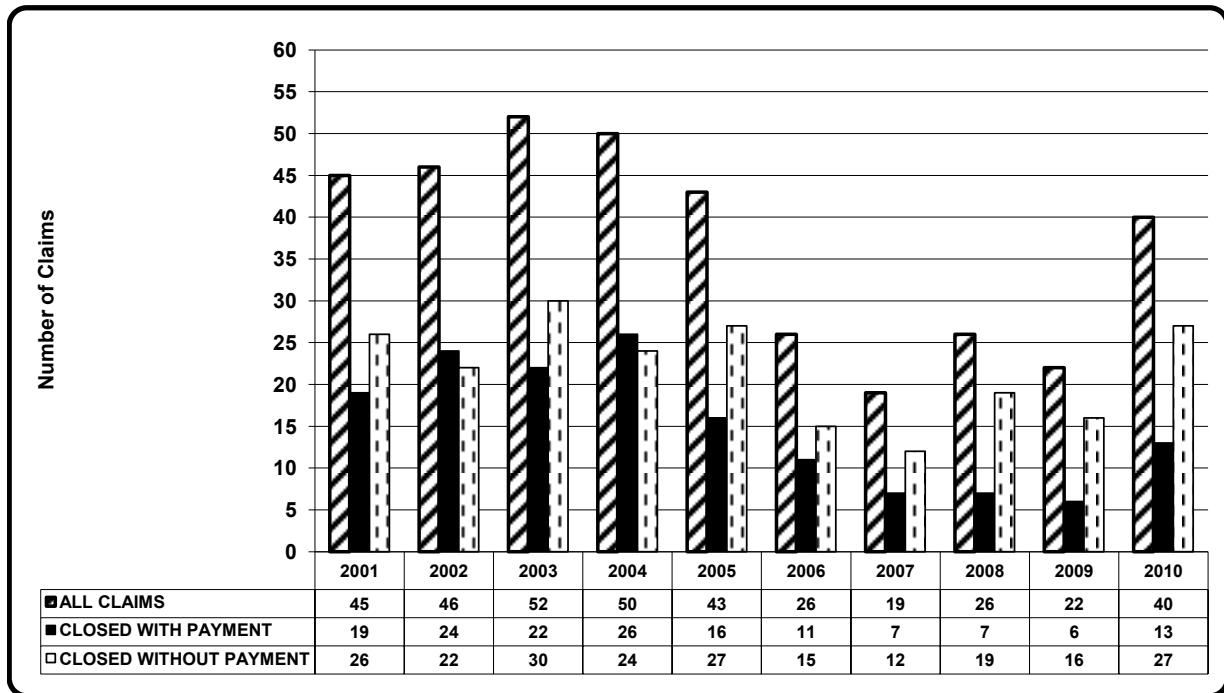


FAIL TO ASCERTAIN DEADLINE CORRECTLY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

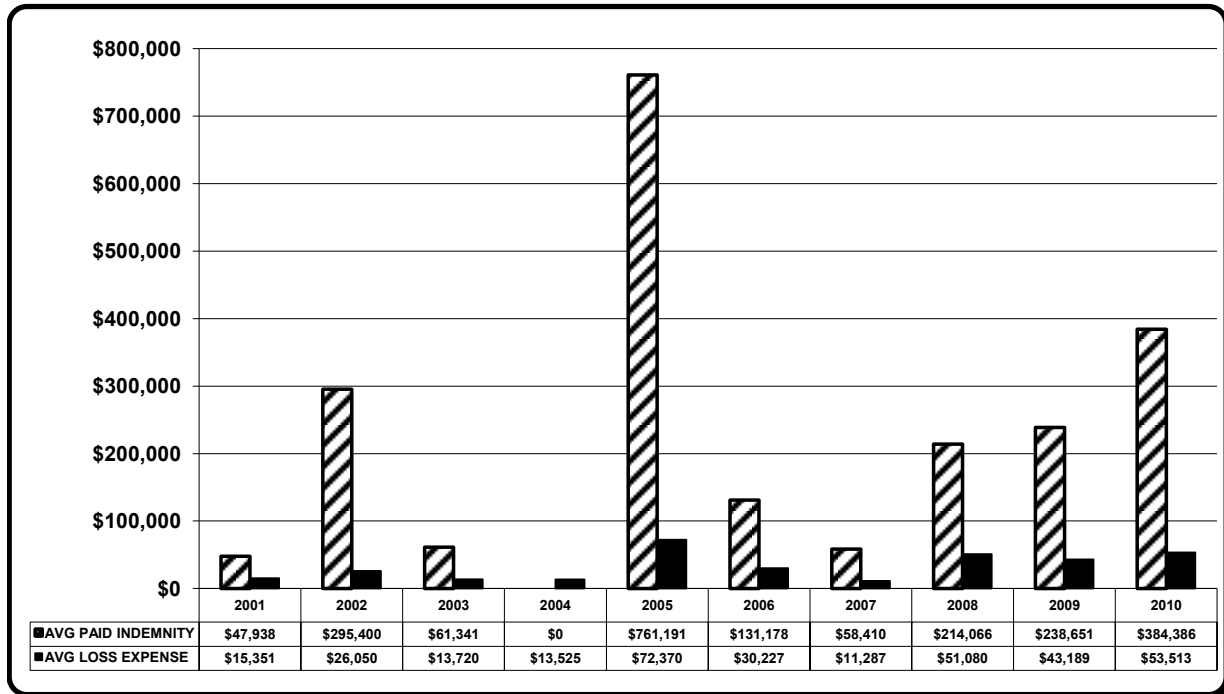


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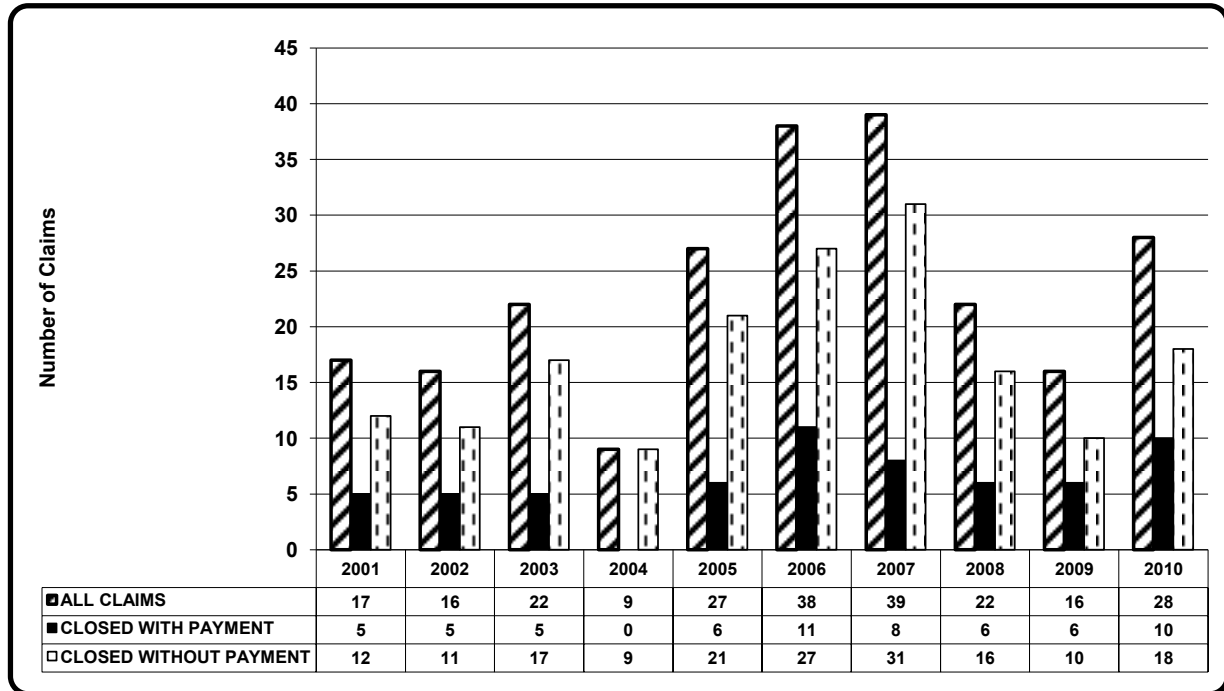


PLANNING OR STRATEGY ERROR

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

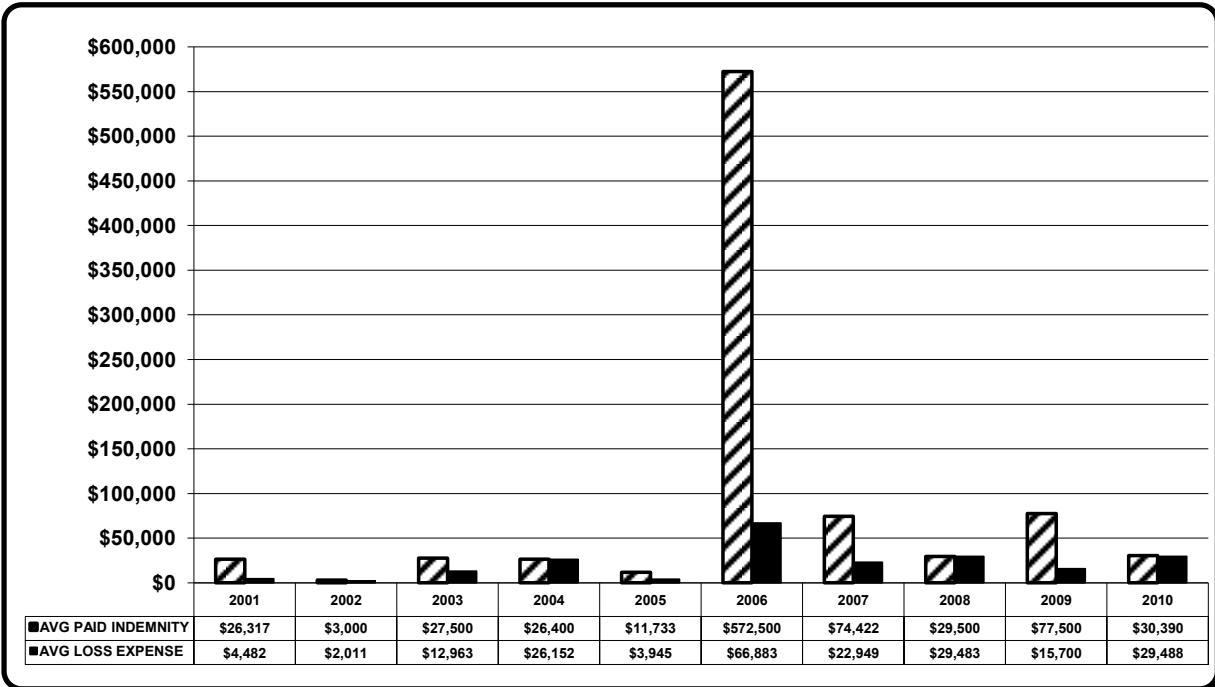


CLAIM COUNT

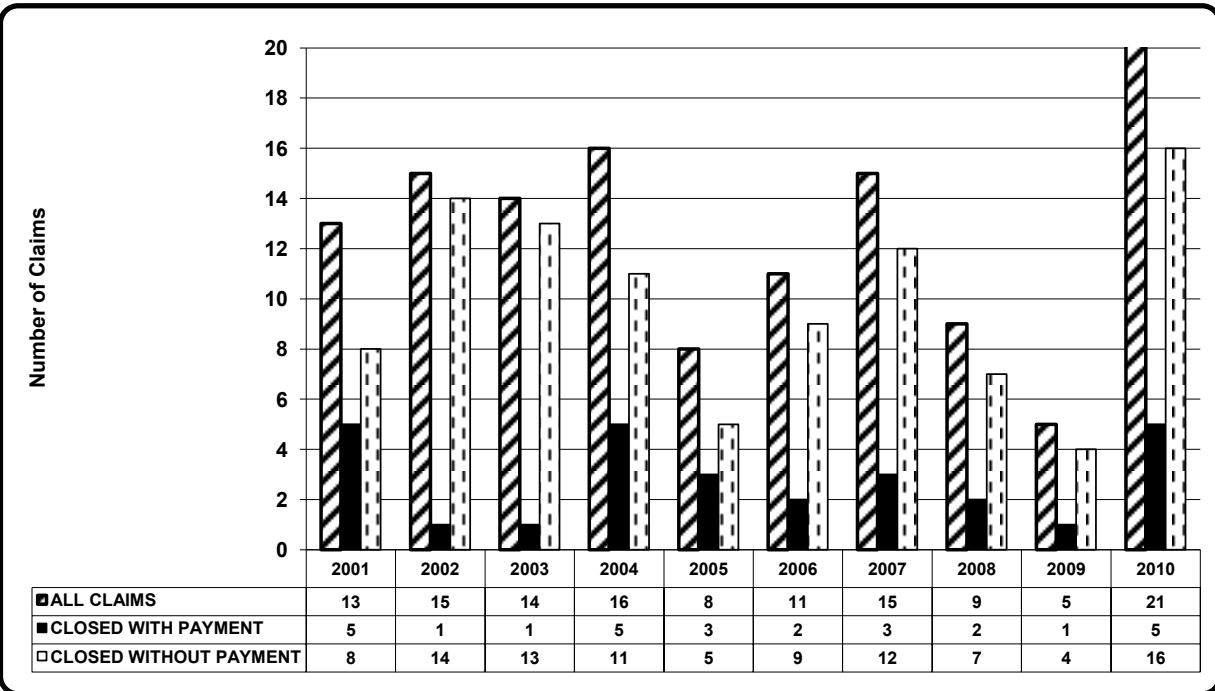


INADEQUATE INVESTIGATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

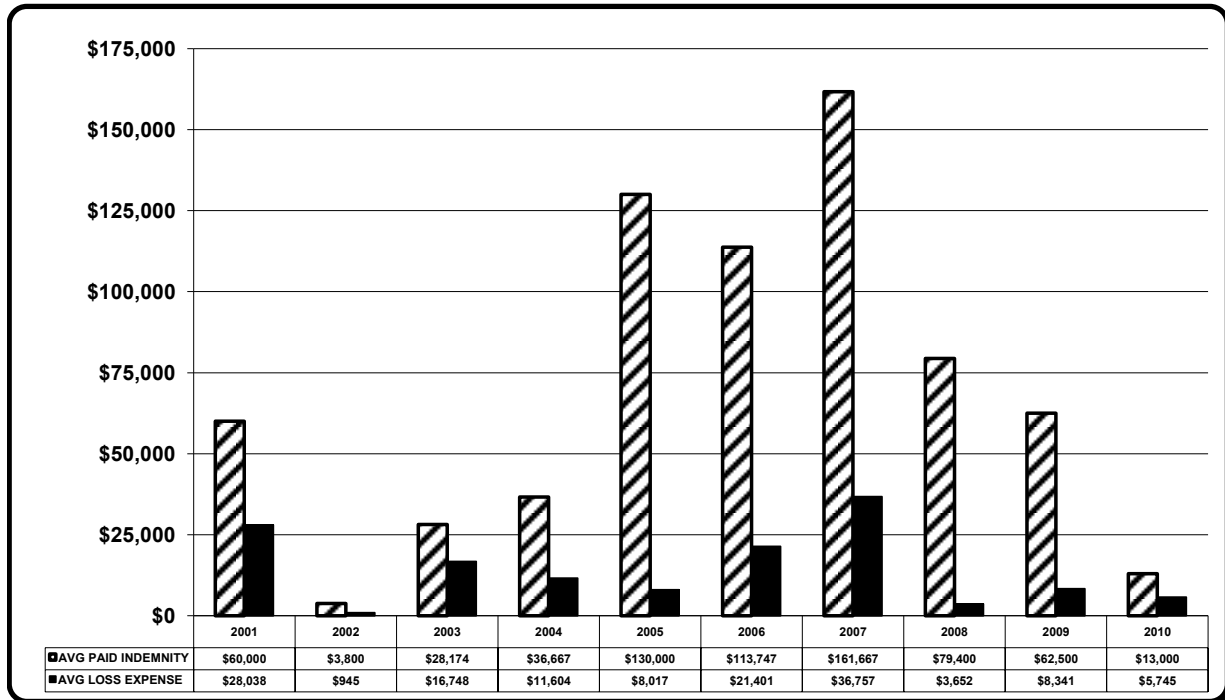


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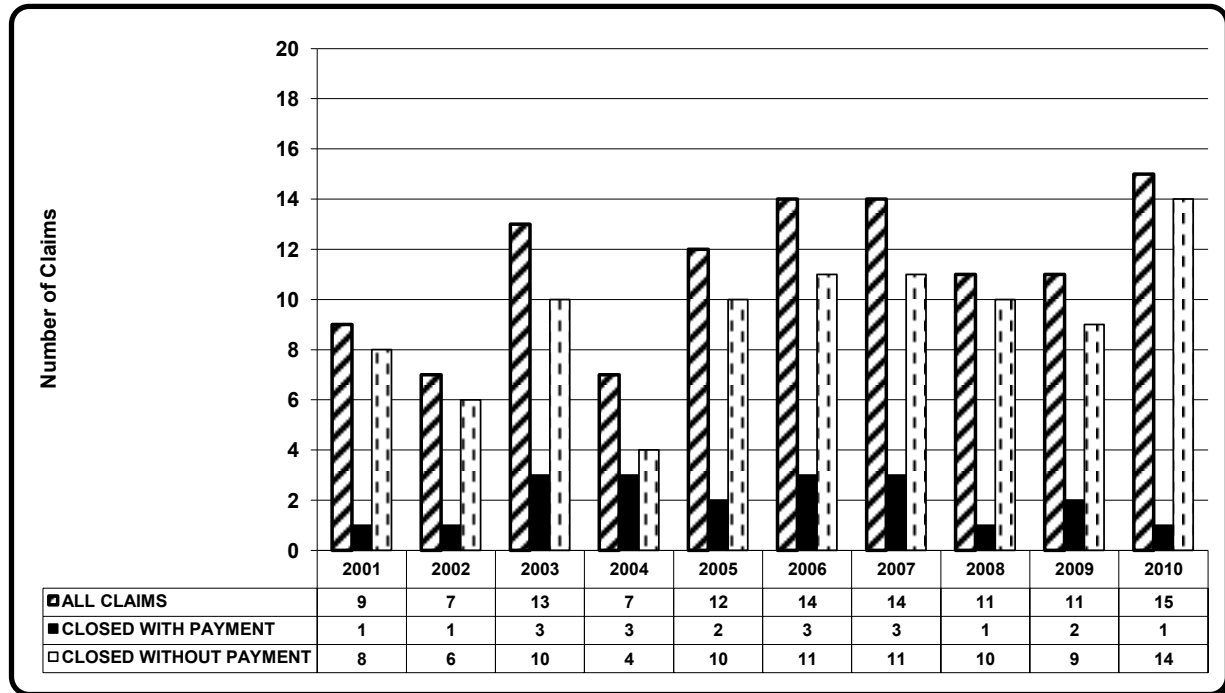


FAILURE TO FOLLOW CLIENTS INSTRUCTIONS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

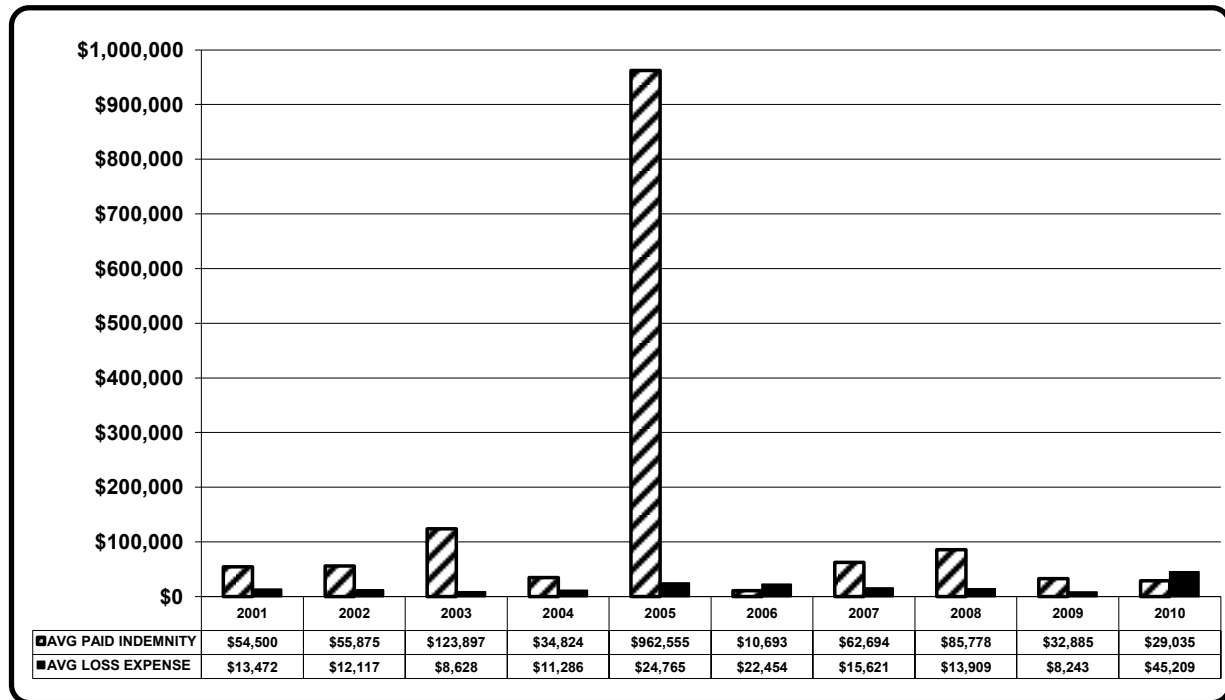


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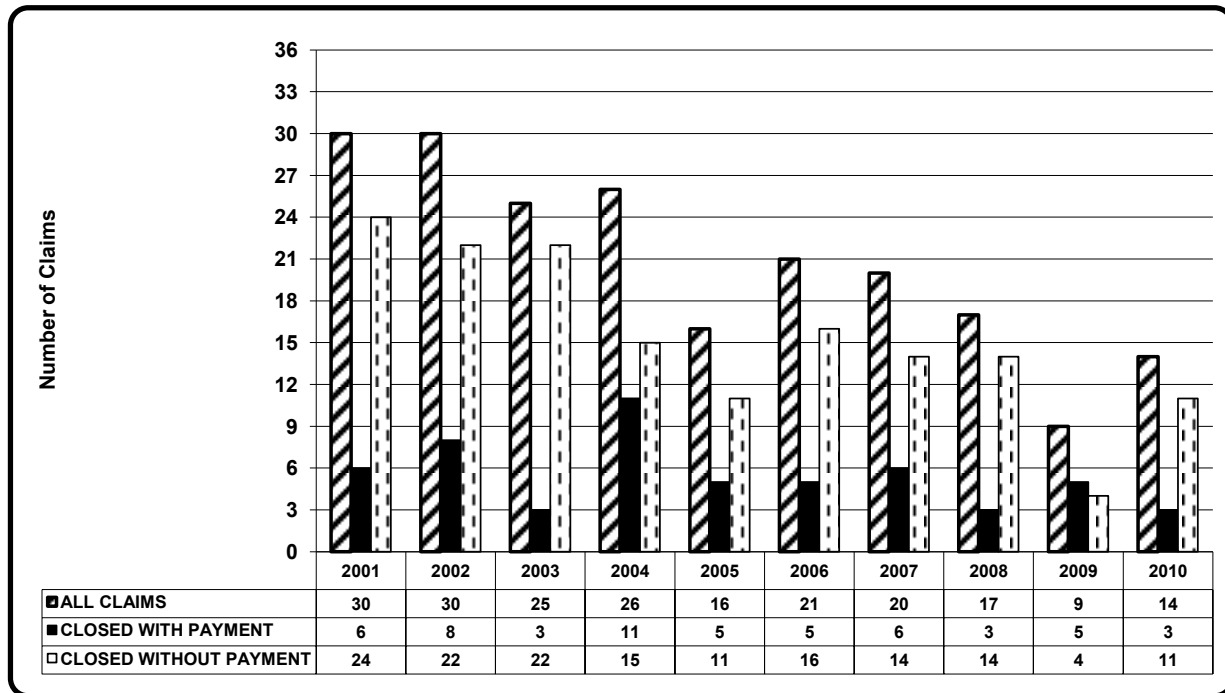


PROCRASTINATION OR LACK OF FOLLOW-UP

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

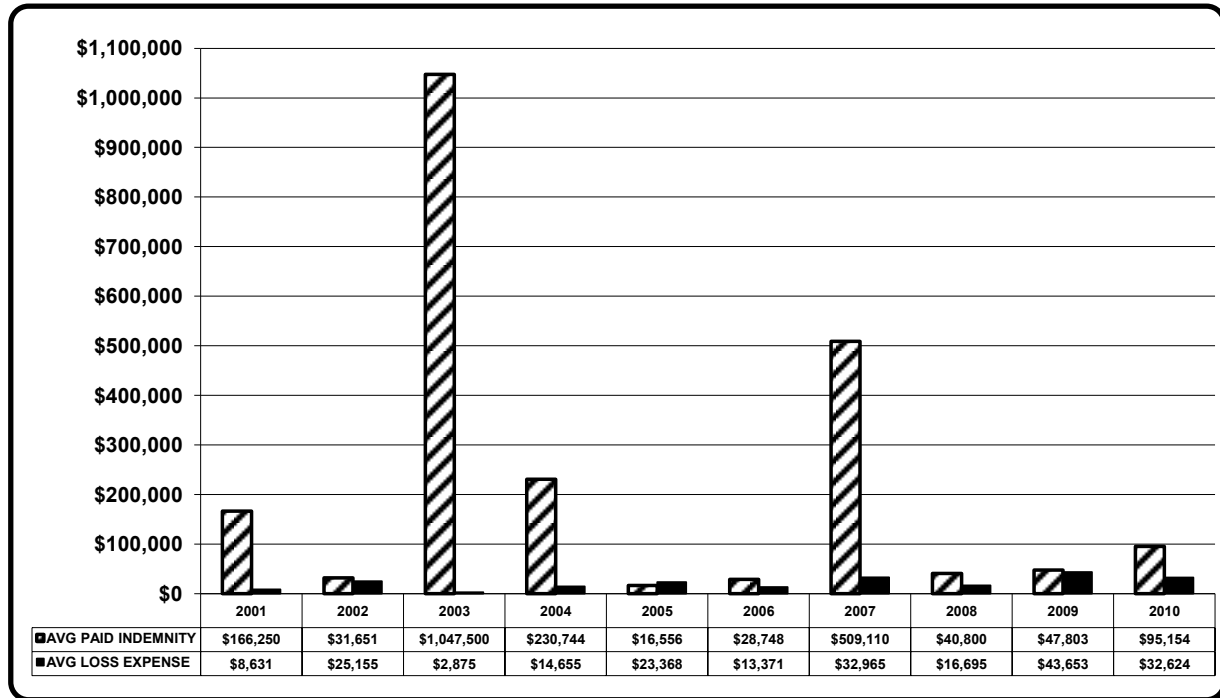


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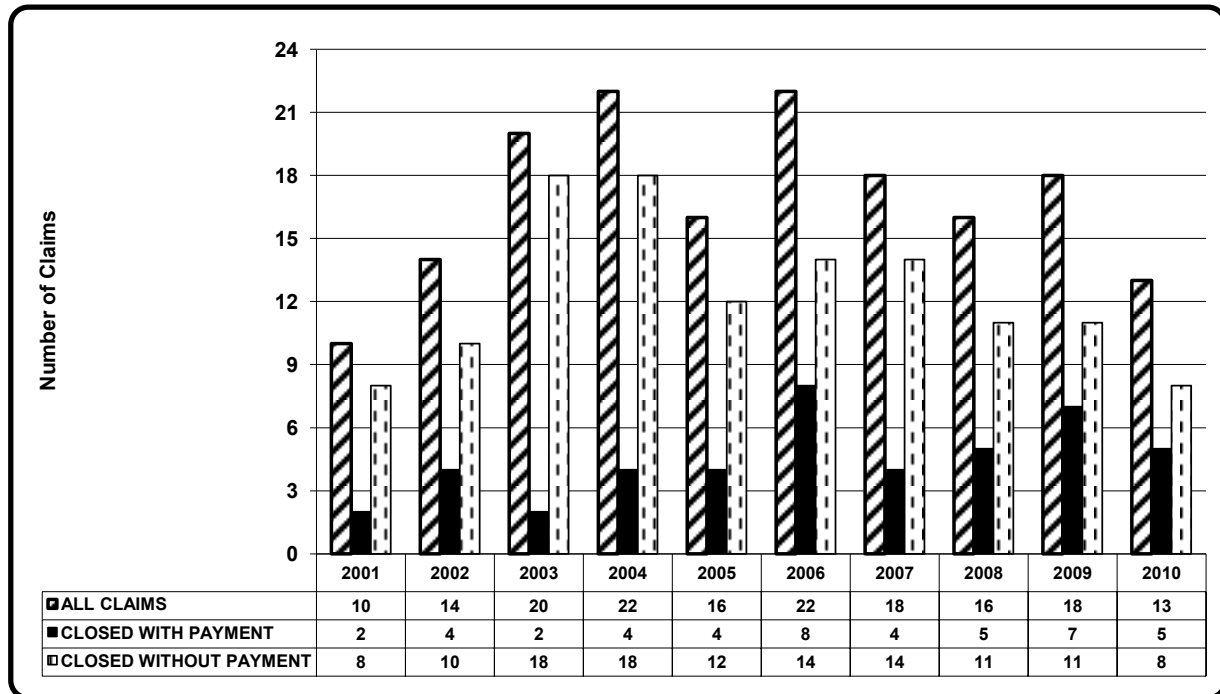


FAILURE TO KNOW OR PROPERLY APPLY THE LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

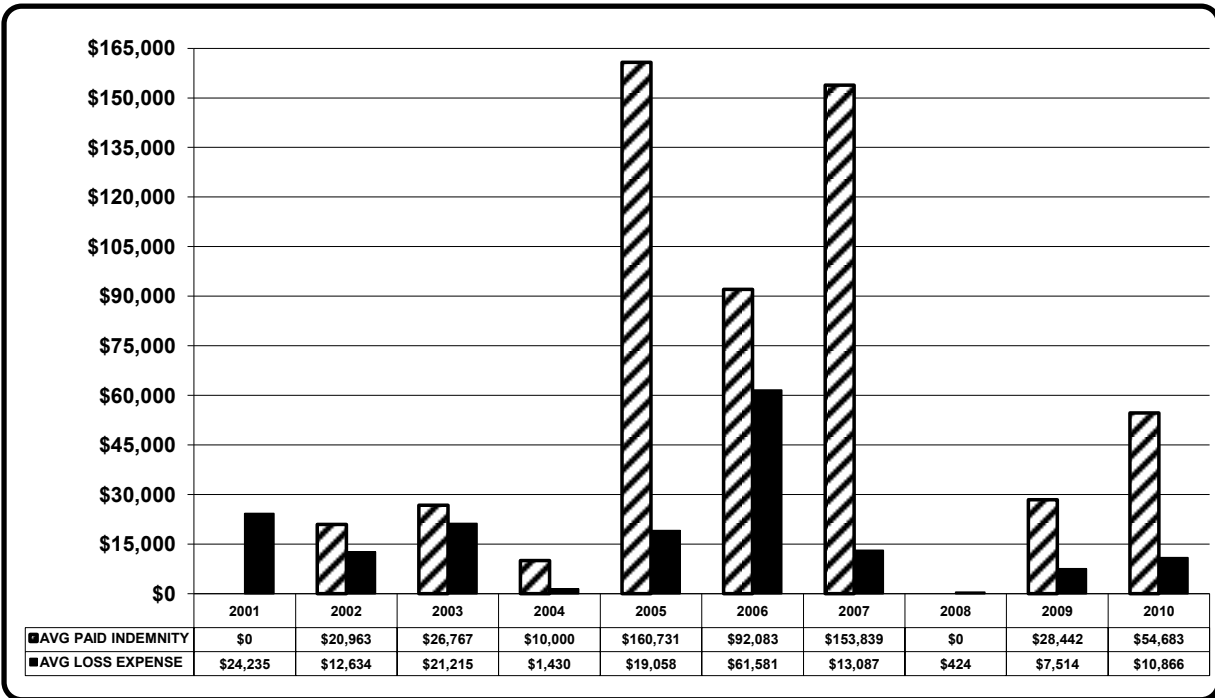


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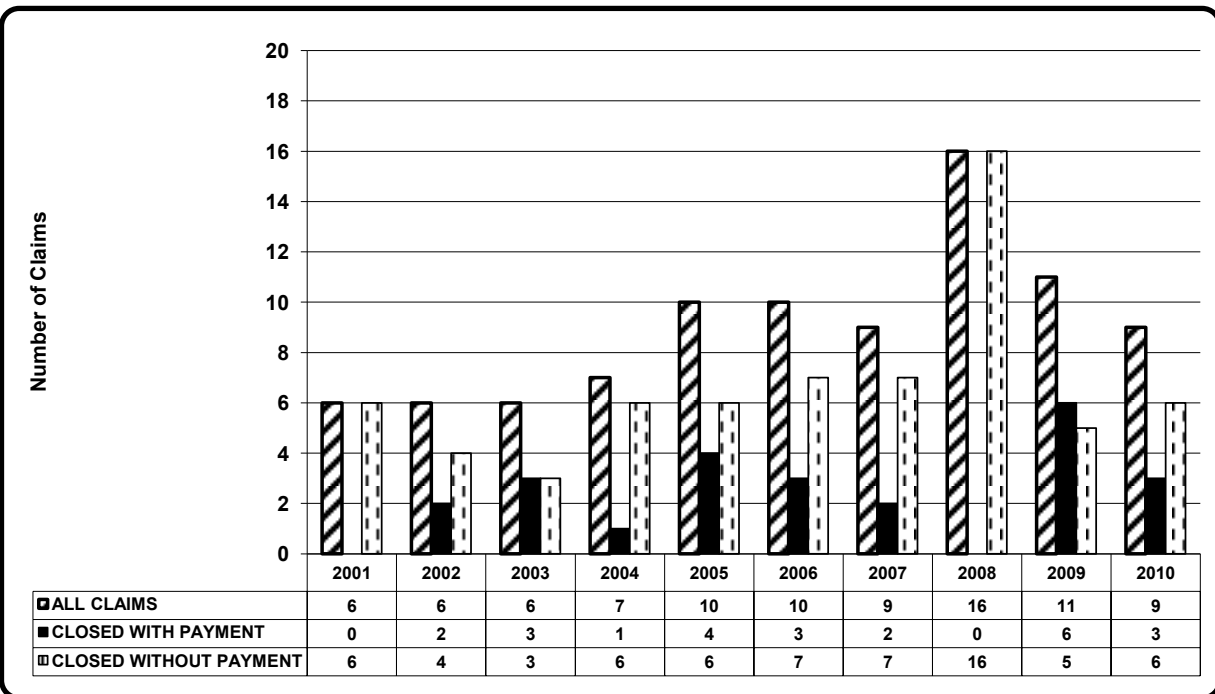


FAILURE TO FILE DOCUMENTS WITH NO DEADLINE

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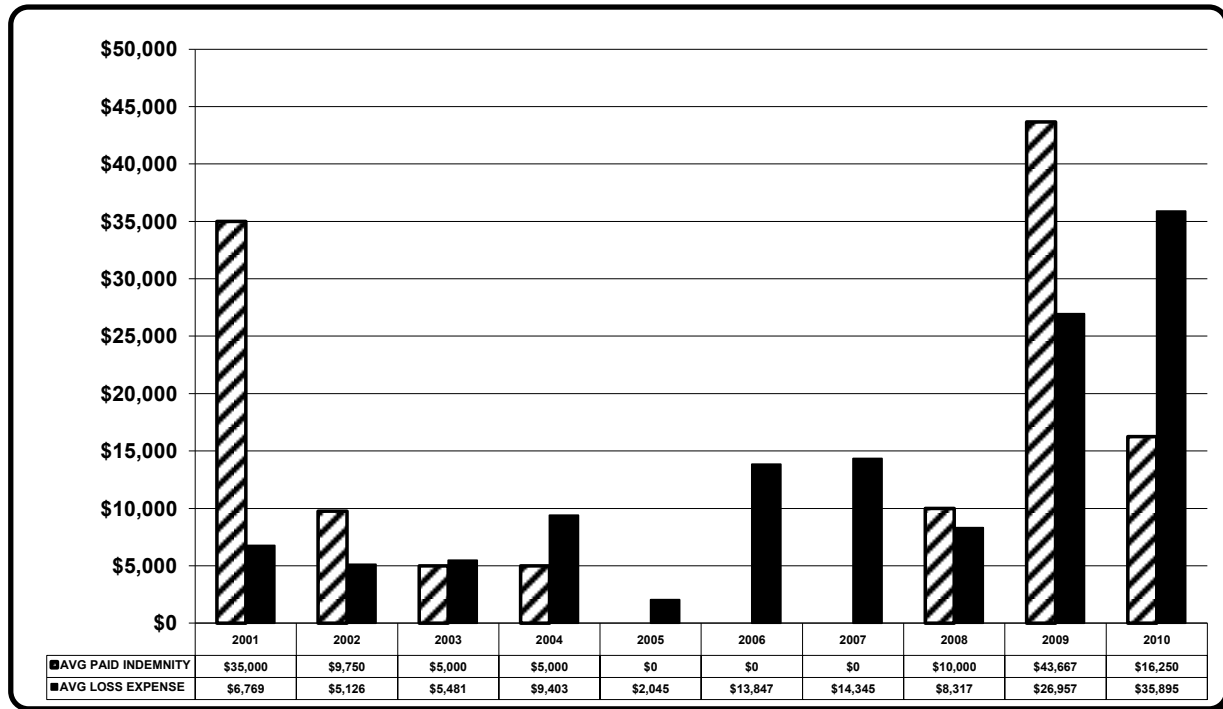


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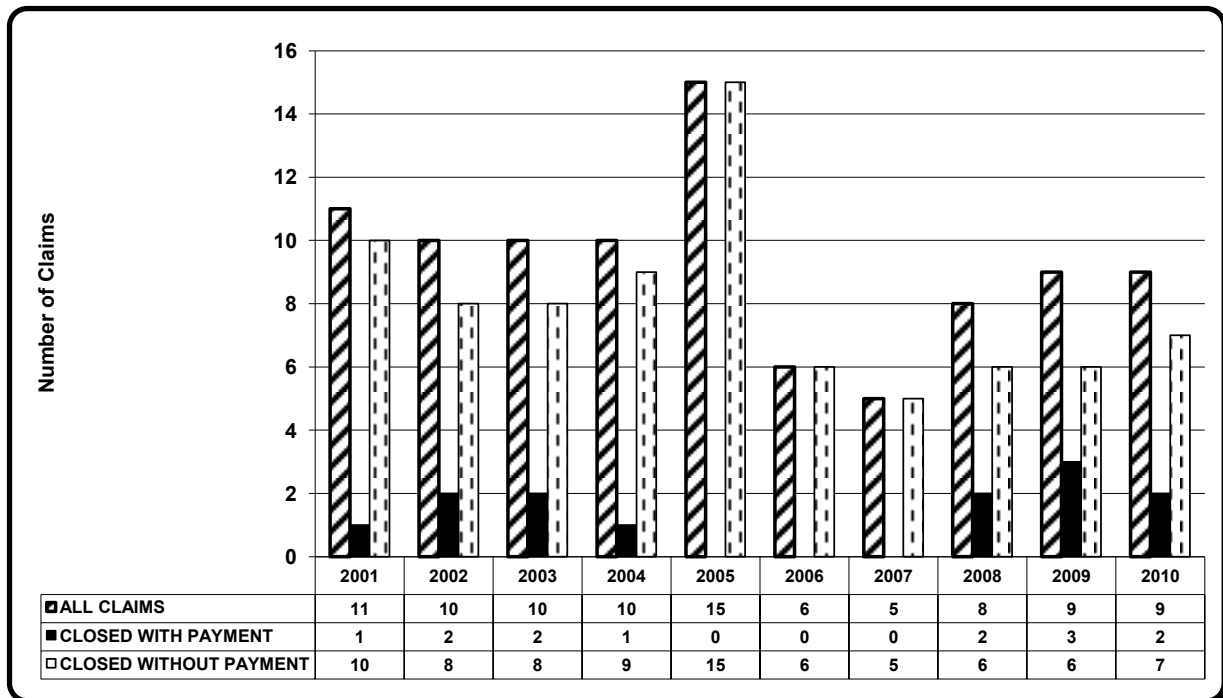


MALICIOUS PROSECUTION OR ABUSE OF PROCESS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

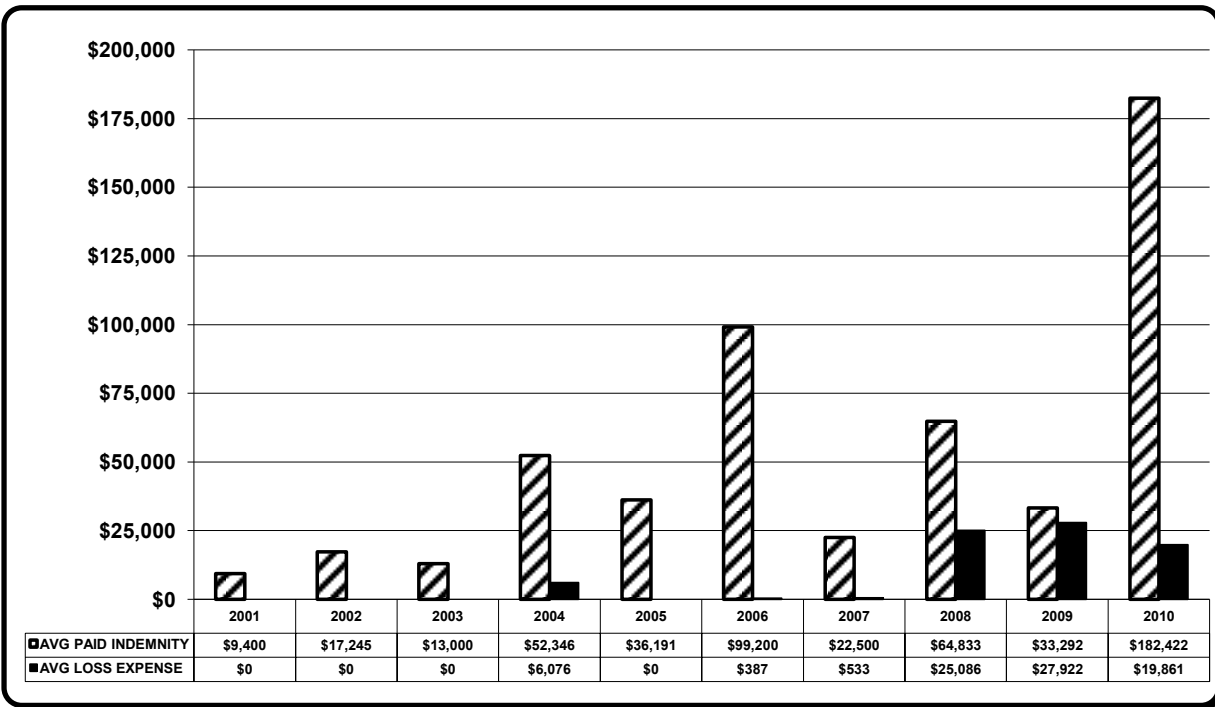


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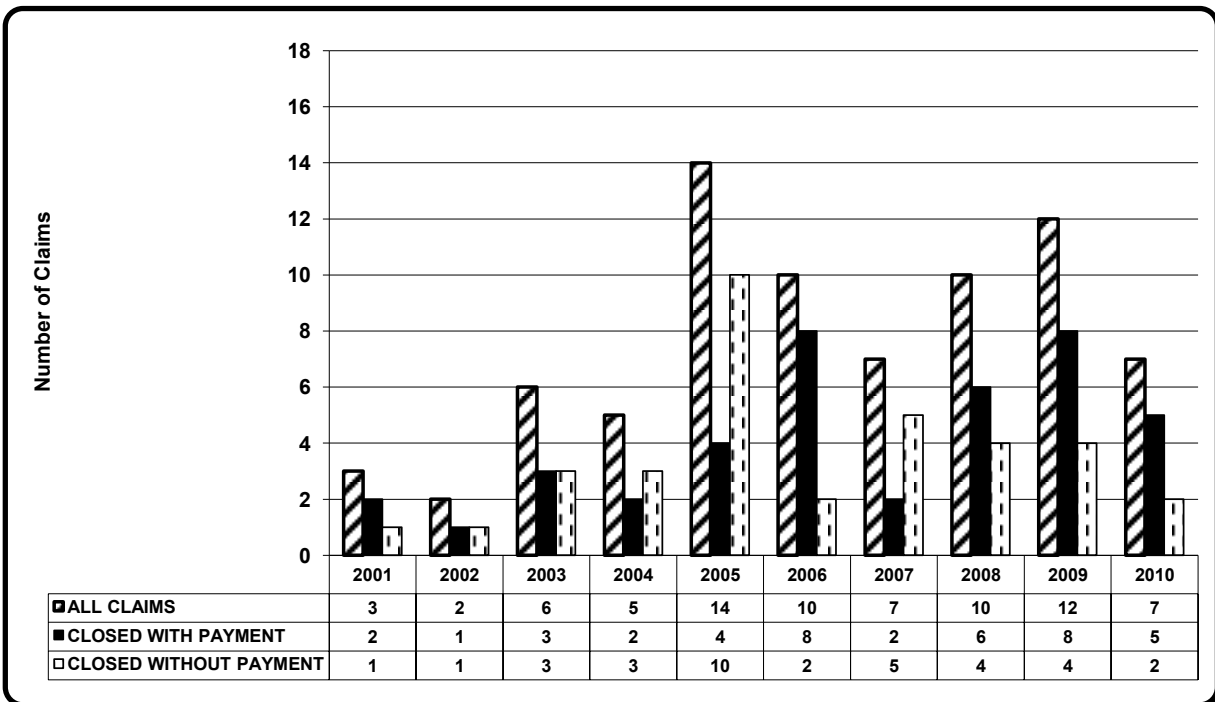


FAILURE TO CALENDAR PROPERLY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2010 SUMMARY
BY
CLAIM DISPOSITIONS**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2001-2010

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BEFORE FILING SUIT OR DEMANDING HEARING	1,057	277	43.35%	\$55,896	\$15,483,181	25.67%	\$1,34,6
BEFORE TRIAL OR HEARING	903	329	51.49%	\$107,810	\$35,469,417	58.81%	\$29,603
CLAIM OR SUIT ABANDONED	185	0	0.00%	N/A	\$0	0.00%	\$1,137
AFTER APPEAL	83	9	1.41%	\$309,206	\$2,782,852	4.61%	\$76,521
AFTER JUDGMENT, BEFORE APPEAL	39	8	1.25%	\$392,594	\$3,140,753	5.21%	-\$96,246
AFTER TRIAL OR HEARING, BEFORE JUDGMENT	39	7	1.10%	\$290,947	\$2,036,628	3.38%	\$46,179
DURING TRIAL OR HEARING	38	5	0.78%	\$130,995	\$654,976	1.09%	\$36,836
DURING APPEAL	20	4	0.63%	\$185,627	\$742,507	1.23%	\$79,007
DURING REVIEW PANEL	10	0	0.00%	N/A	\$0	0.00%	\$2,329
TOTAL	2,374	639	100.00%	\$94,382	\$60,310,314	100.00%	\$15,066

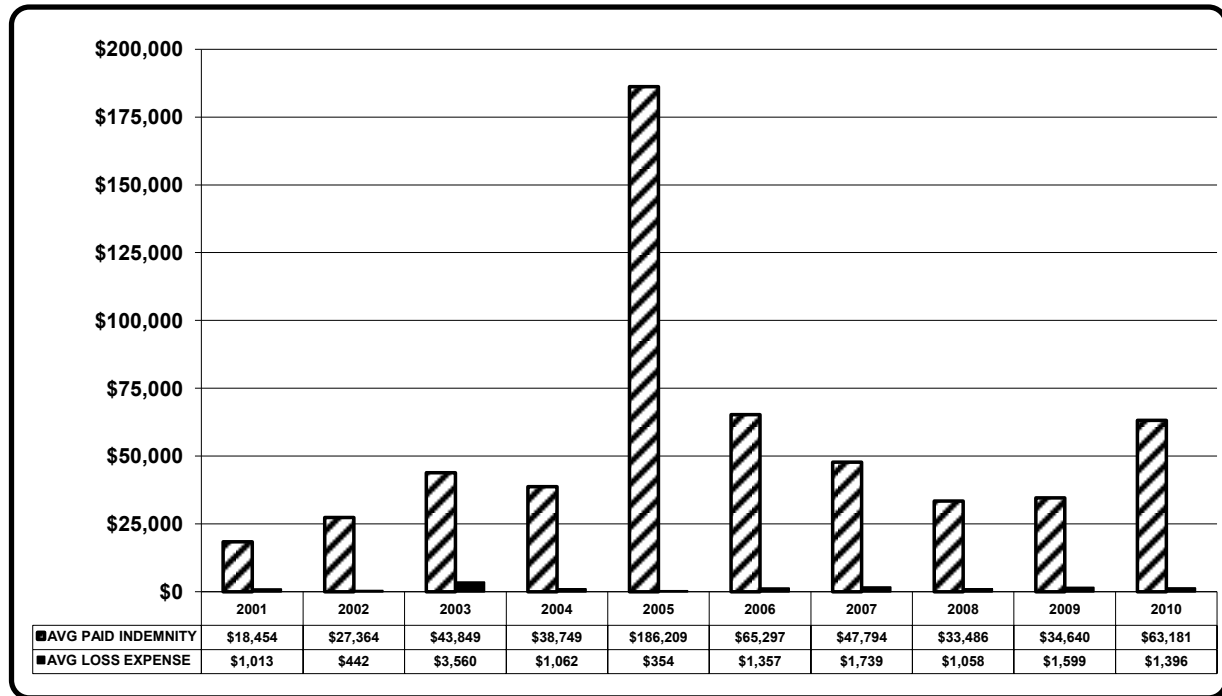
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2010

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BEFORE FILING SUIT OR DEMANDING HEARING	94	24	39.34%	\$63,181	\$1,516,349	20.71%	\$1,396
BEFORE TRIAL OR HEARING	78	31	50.82%	\$173,410	\$5,375,714	73.43%	\$20,827
CLAIM OR SUIT ABANDONED	33	0	0.00%	N/A	\$0	0.00%	\$289
AFTER APPEAL	11	1	1.64%	\$100,000	\$100,000	1.37%	\$62,794
AFTER JUDGMENT, BEFORE APPEAL	9	2	3.28%	\$46,092	\$92,183	1.26%	\$105,263
AFTER TRIAL OR HEARING, BEFORE JUDGMENT	8	1	1.64%	\$106,346	\$106,346	1.45%	\$54,575
DURING TRIAL OR HEARING	5	1	1.64%	\$5,276	\$5,276	0.07%	\$36,272
DURING APPEAL	2	1	1.64%	\$125,000	\$125,000	1.71%	\$204,797
DURING REVIEW PANEL	2	0	0.00%	N/A	\$0	0.00%	\$0
TOTAL	242	61	100.00%	\$120,014	\$7,320,868	100.00%	\$18,310

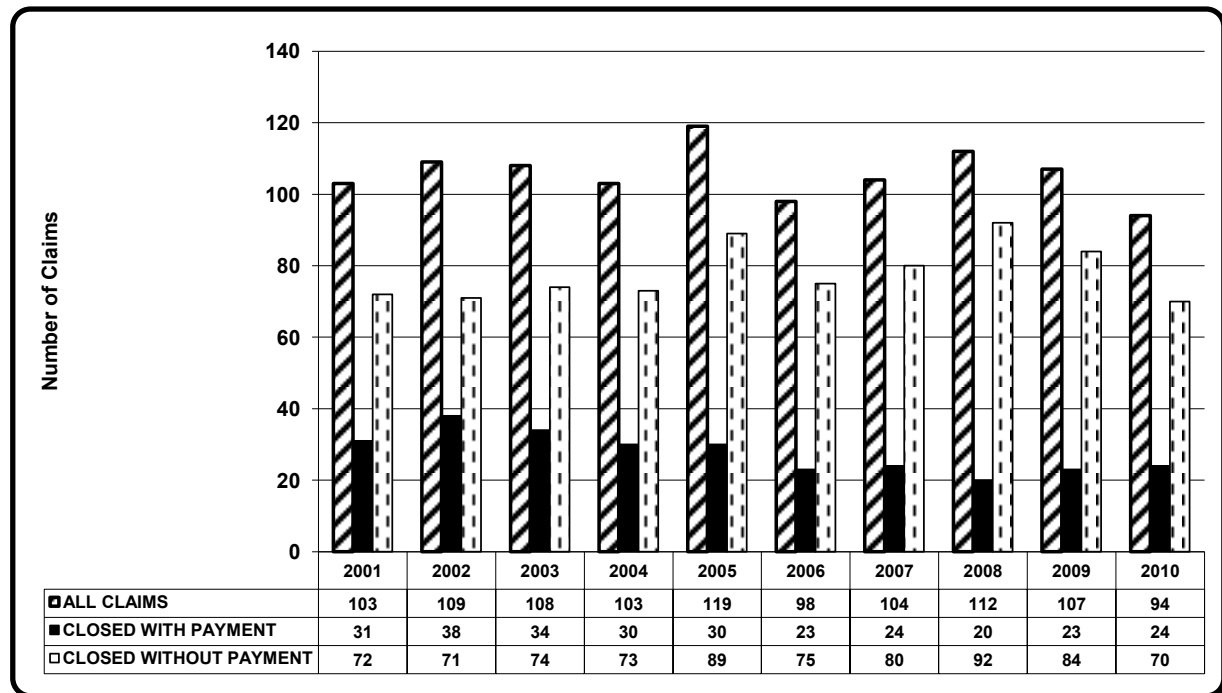
**TRENDS
OF THE TOP NINE
CLAIM DISPOSITIONS
OF 2010**

BEFORE FILING SUIT OR DEMANDING HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

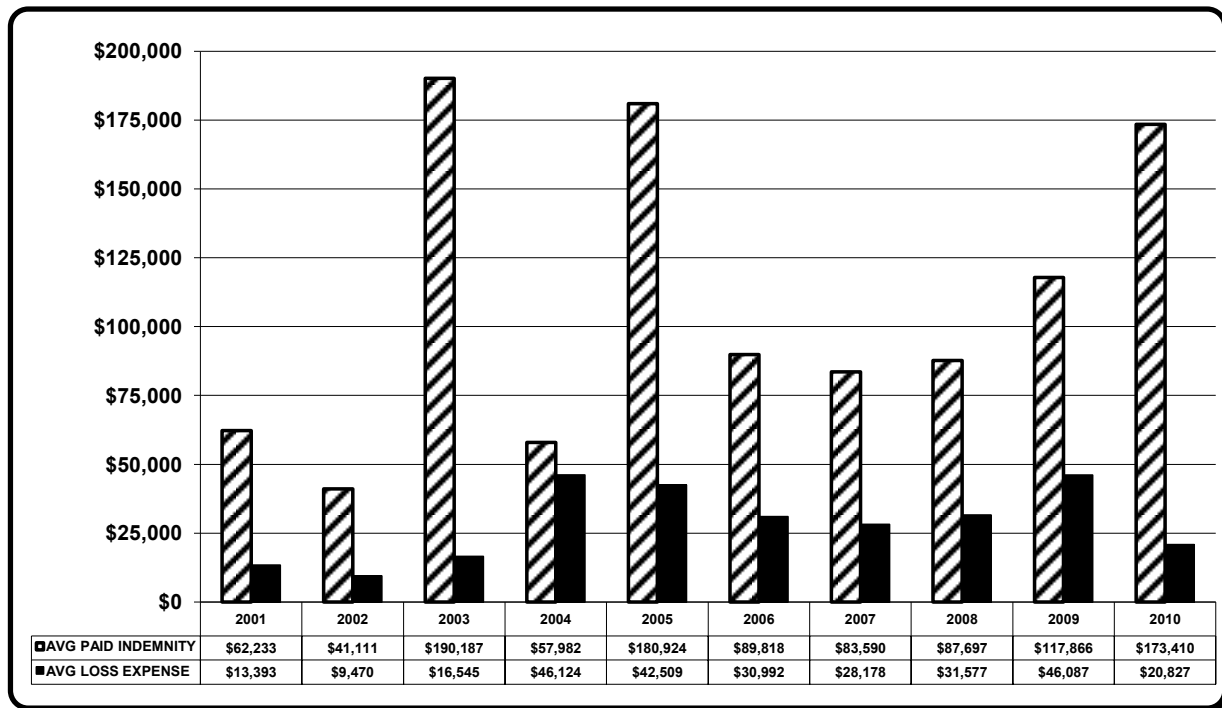


CLAIM COUNT

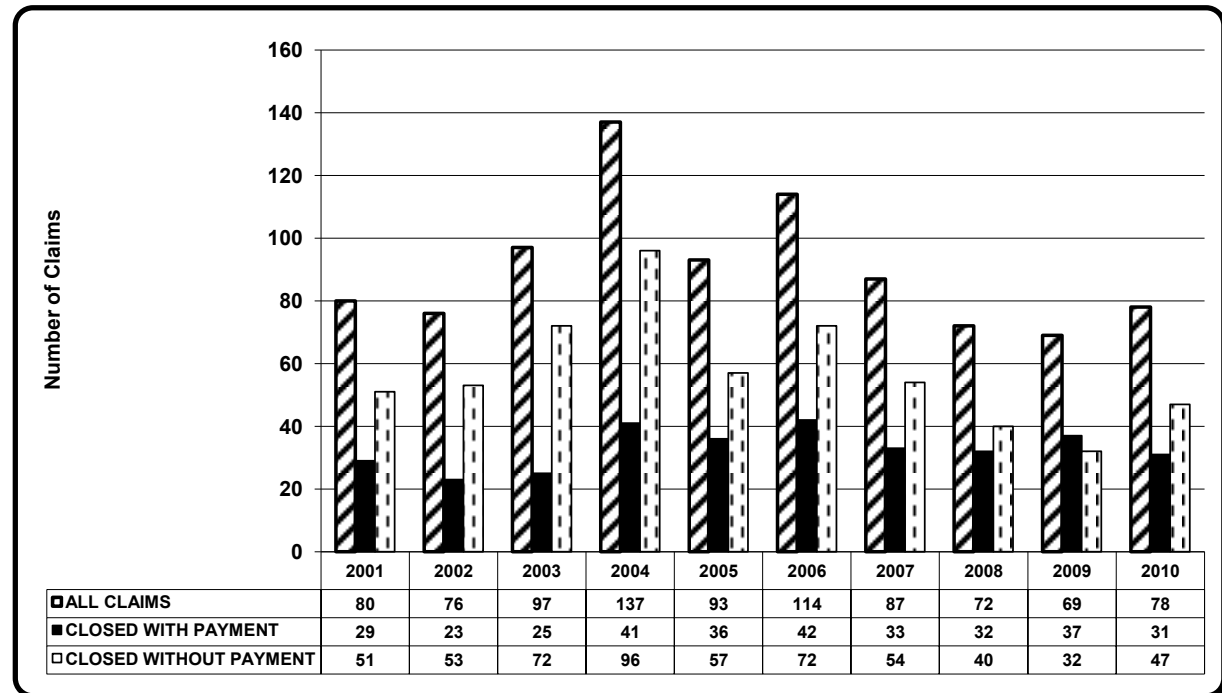


BEFORE TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

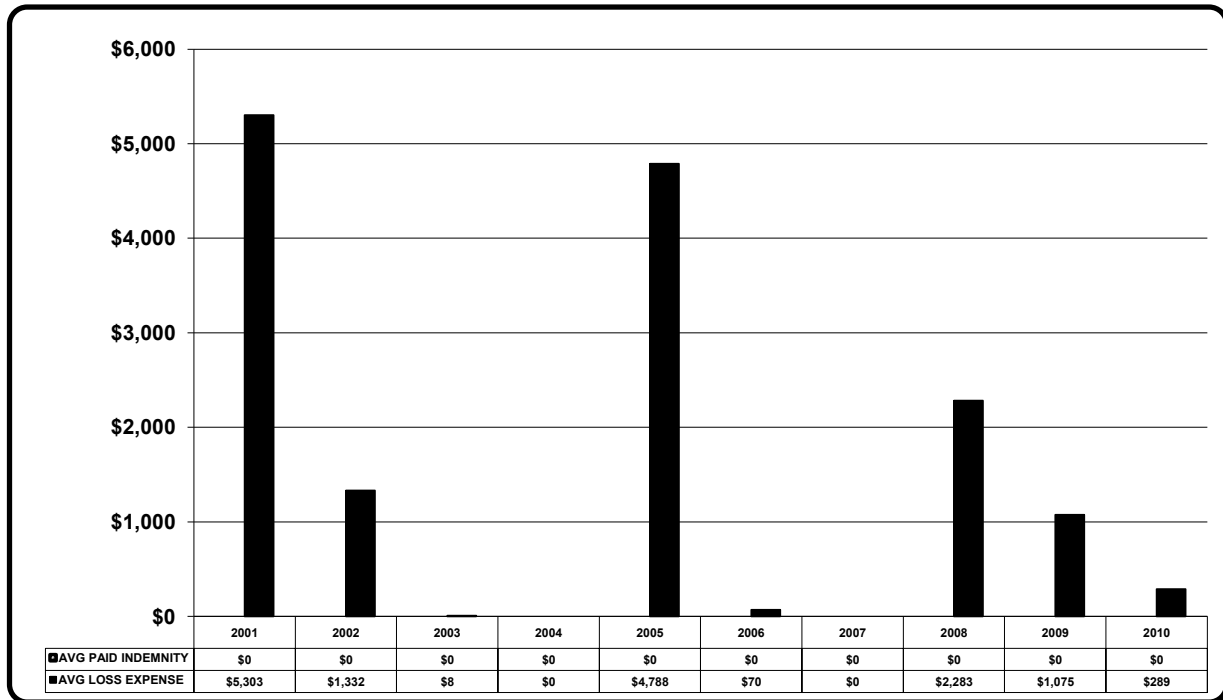


CLAIM COUNT

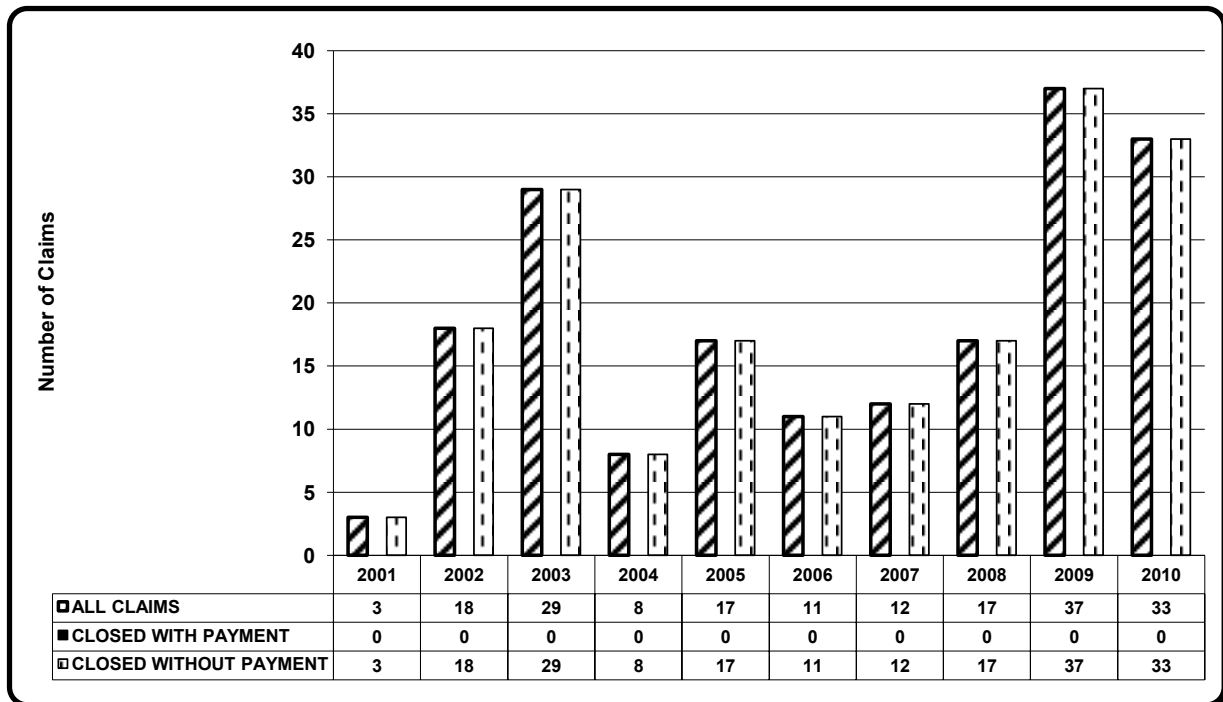


CLAIM OR SUIT ABANDONED

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

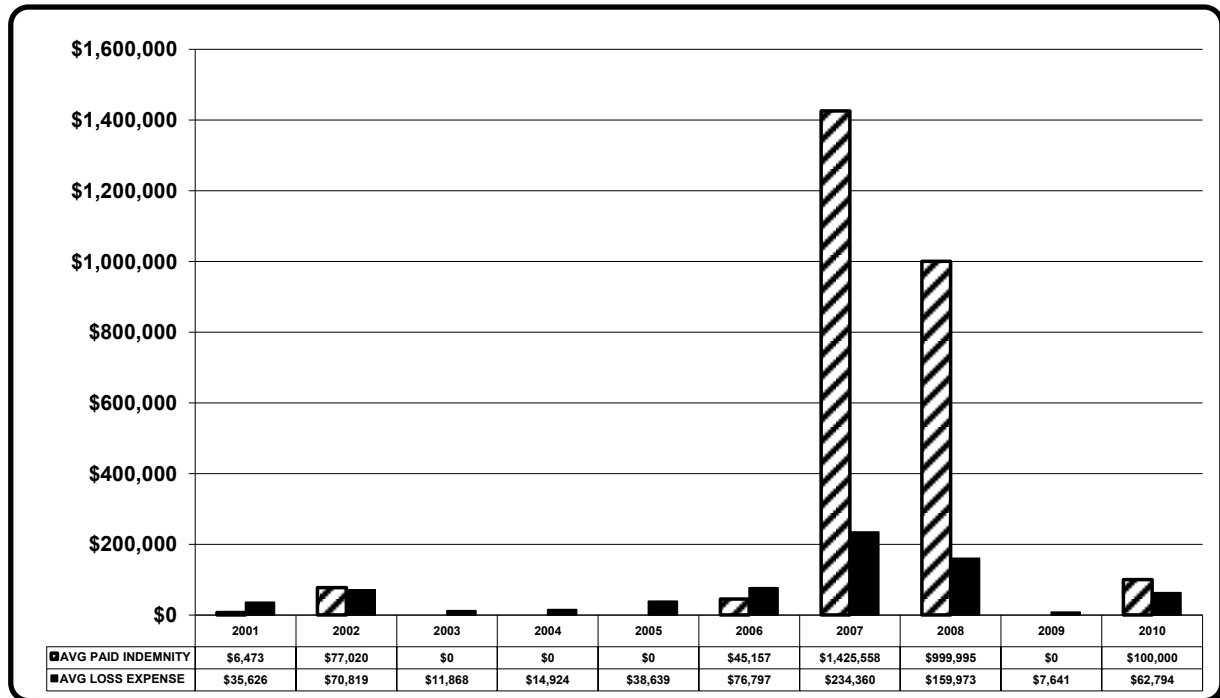


CLAIM COUNT

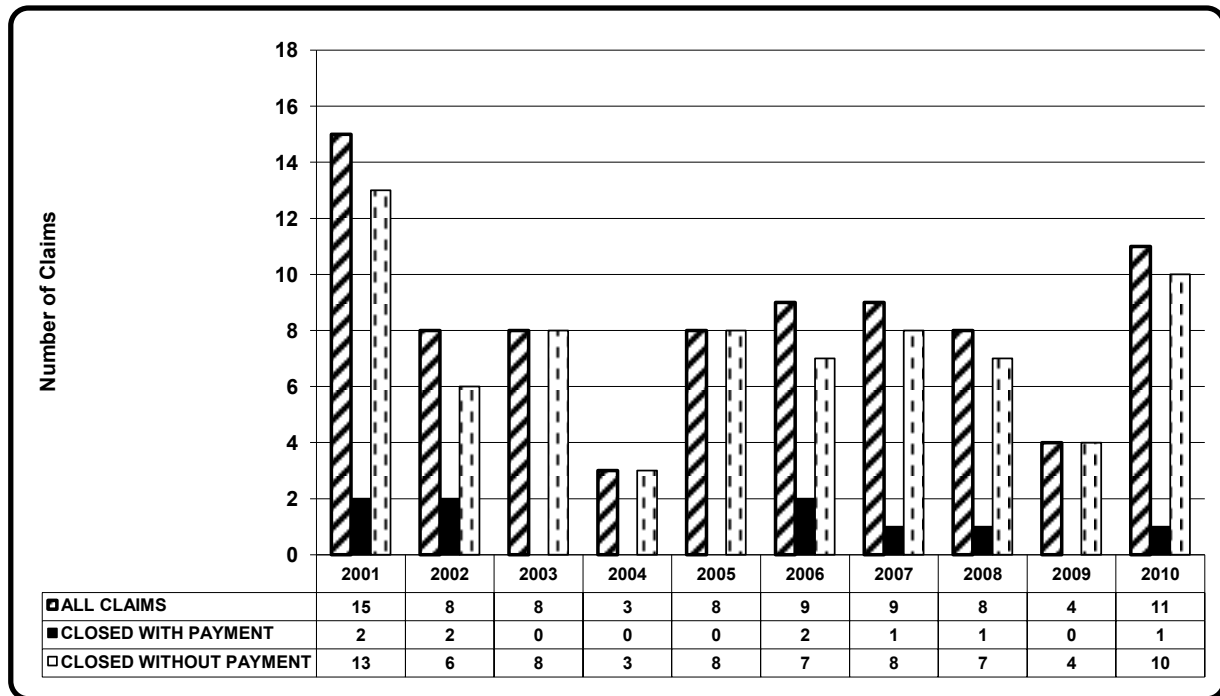


AFTER APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

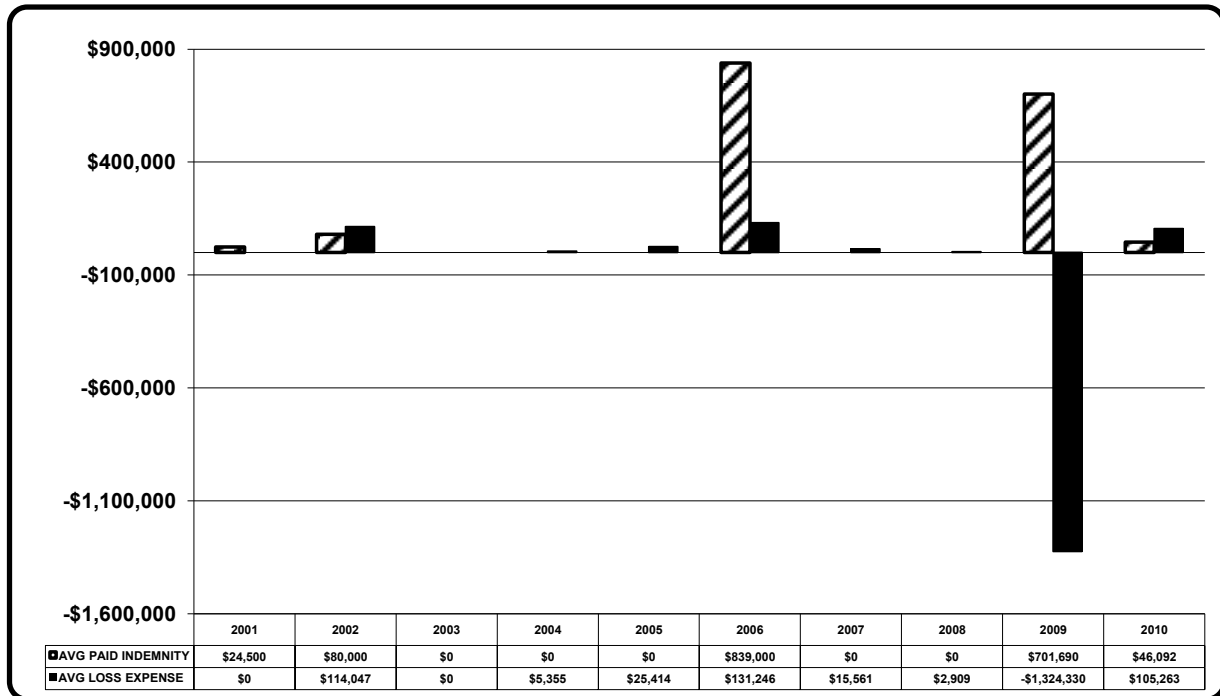


CLAIM COUNT

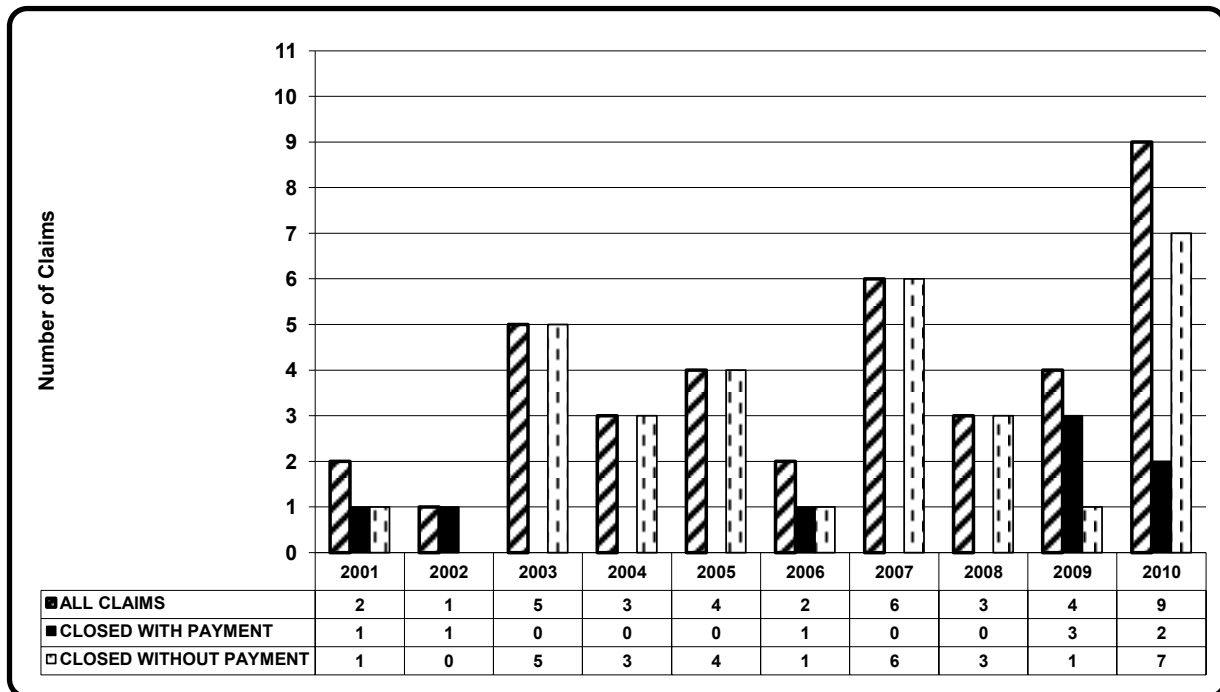


AFTER JUDGMENT, BEFORE APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

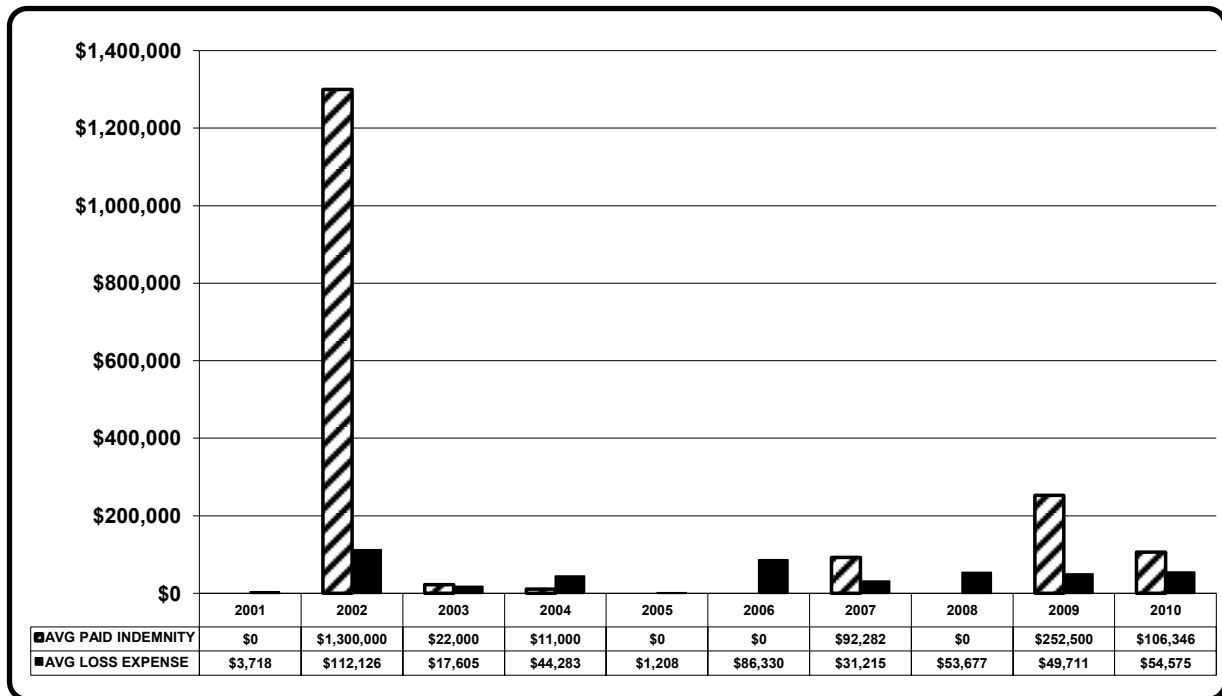


CLAIM COUNT

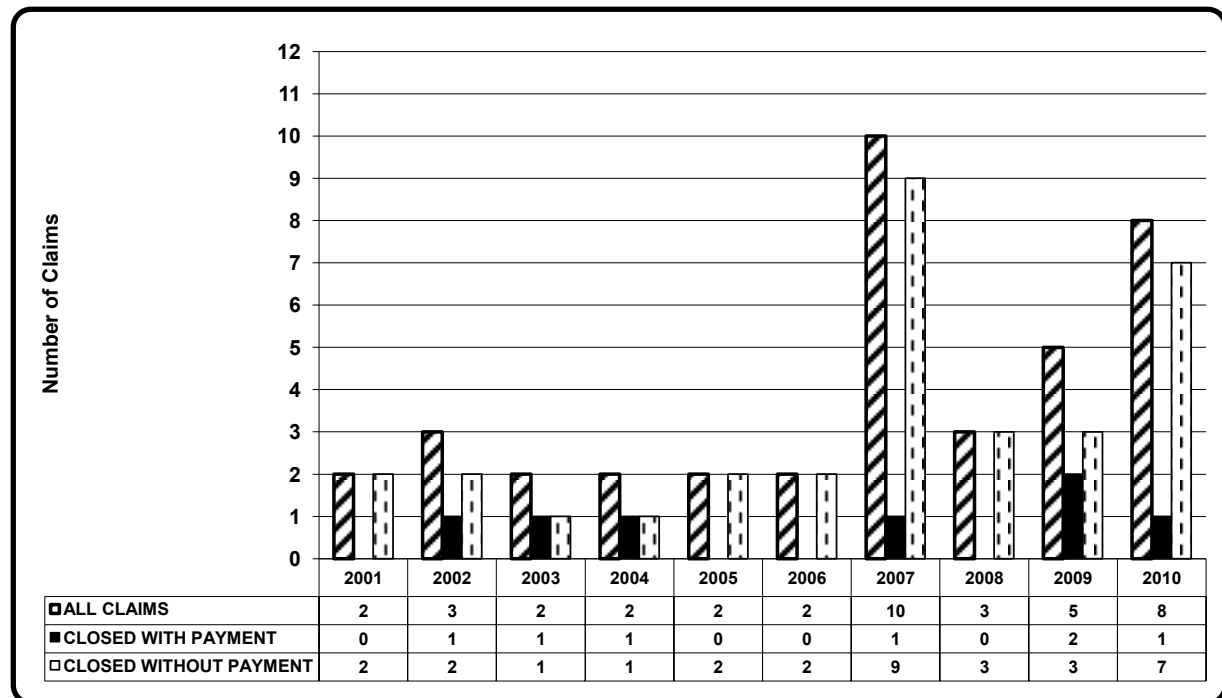


AFTER TRIAL OR HEARING, BEFORE JUDGMENT

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

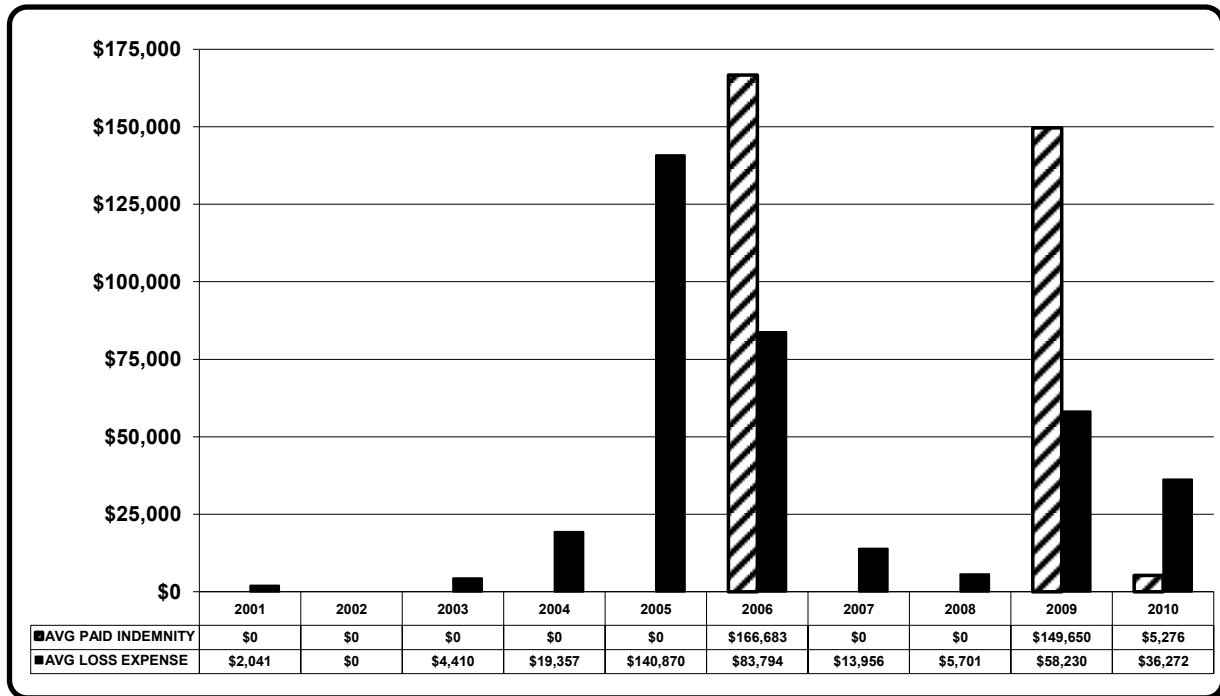


CLAIM COUNT

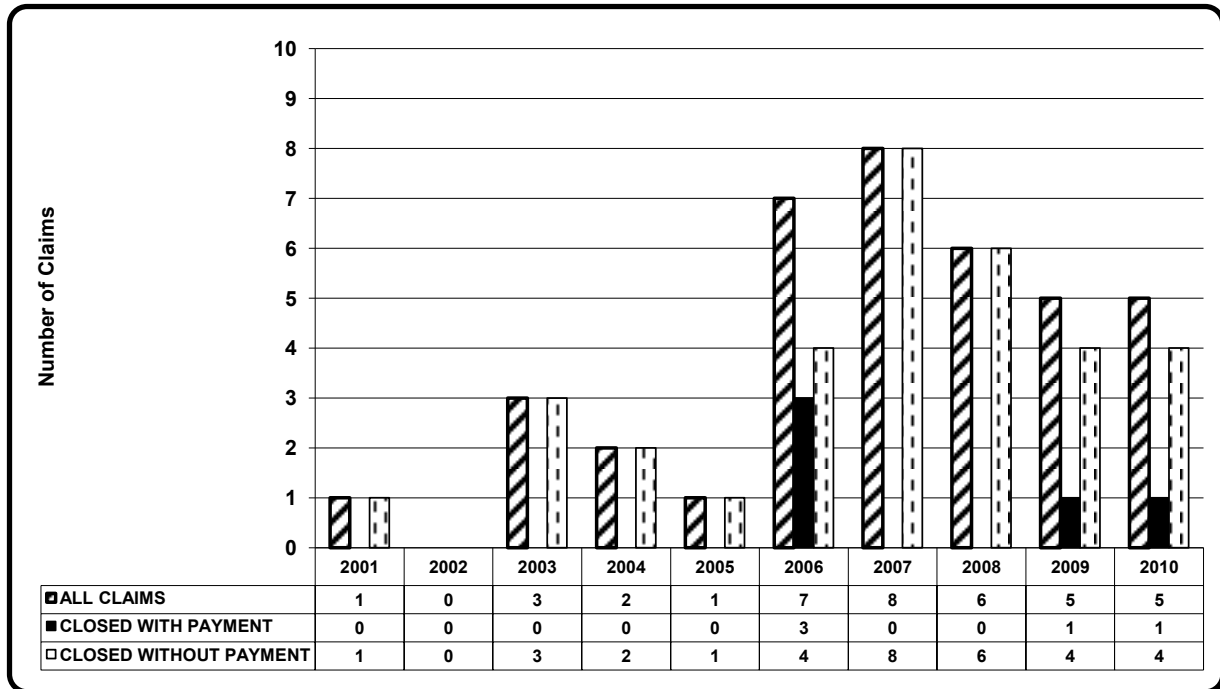


DURING TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

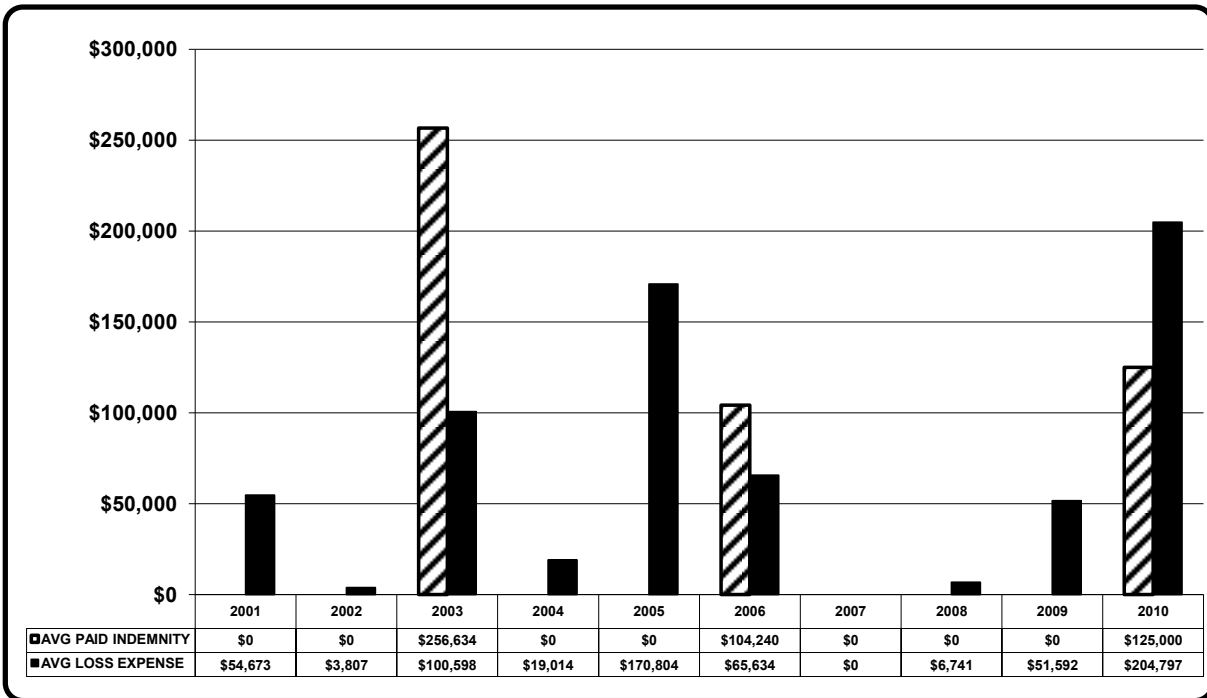


CLAIM COUNT

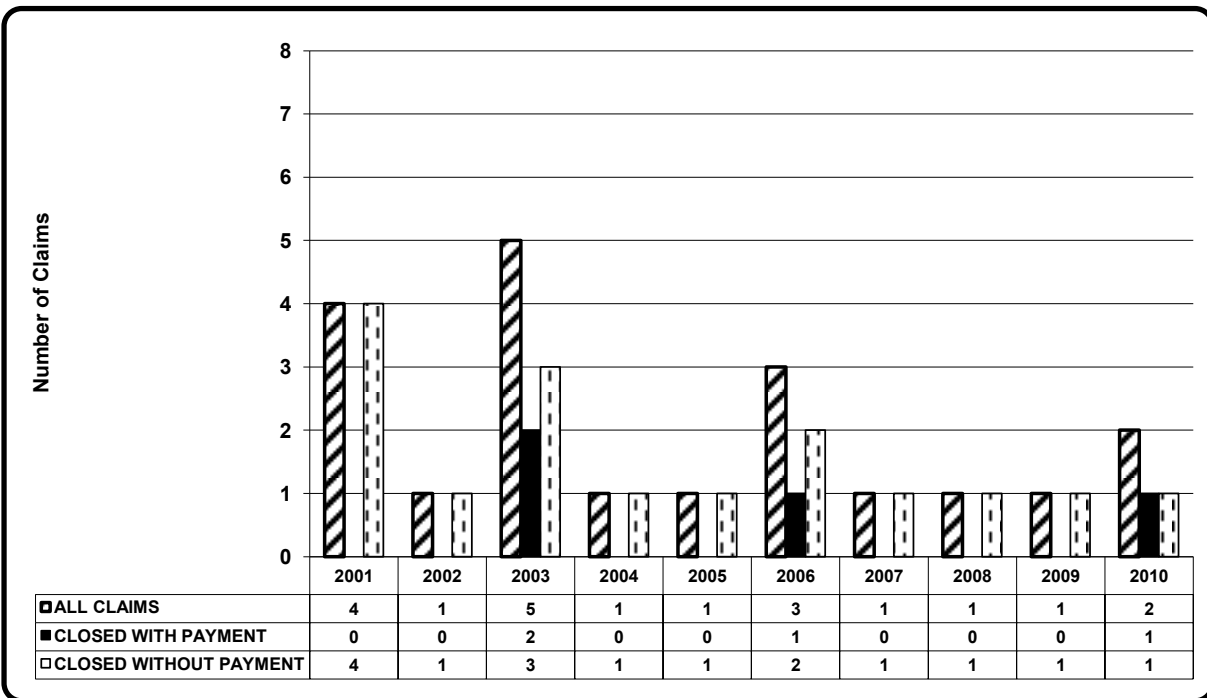


DURING APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

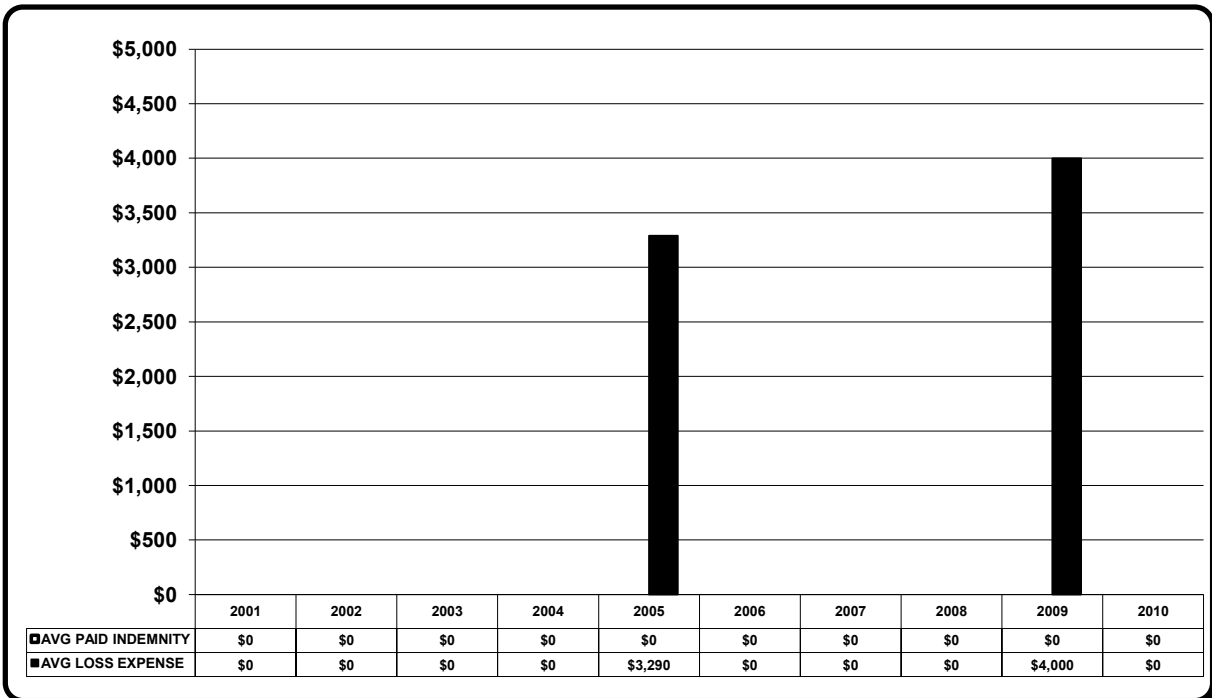


CLAIM COUNT

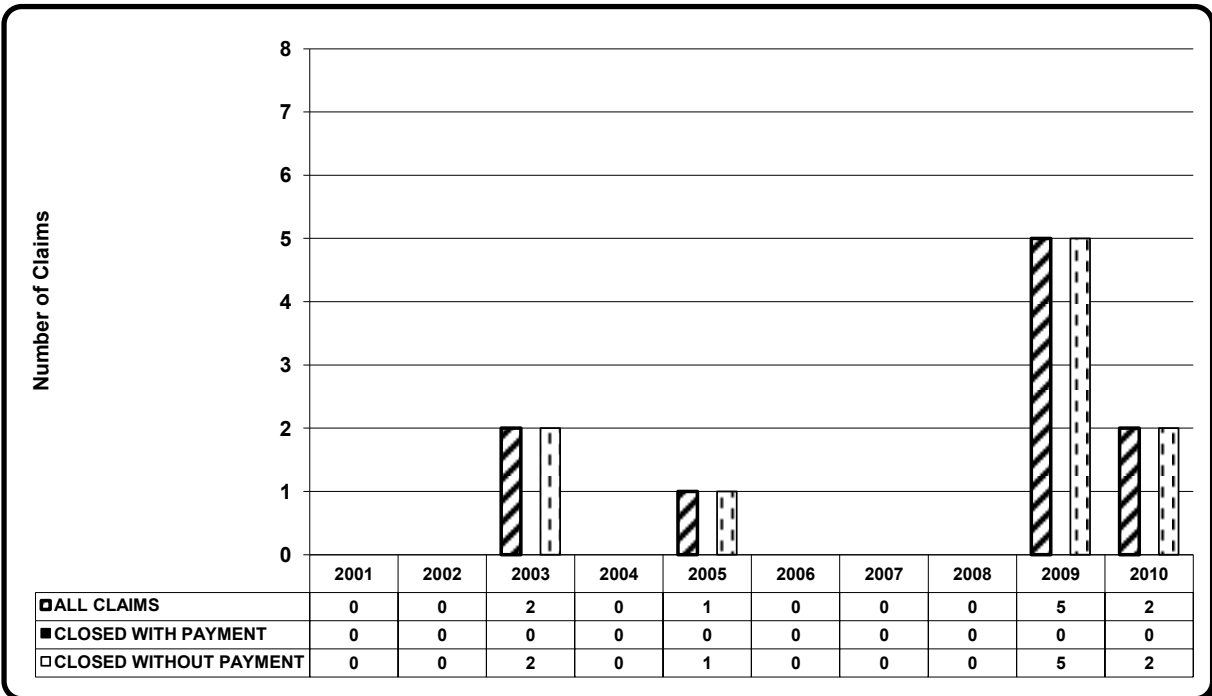


DURING REVIEW PANEL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2010 SUMMARY
BY
YEARS ADMITTED TO PRACTICE**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2001-2010

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OVER 10 YEARS	2,236	604	94.52%	\$87,655	\$52,943,755	87.79%	\$14,396
4 TO 10 YEARS	112	28	4.38%	\$243,311	\$6,812,709	11.30%	\$29,392
UNDER 4 YEARS	26	7	1.10%	\$79,121	\$553,850	0.92%	\$11,000
TOTAL	2,374	639	100.00%	\$94,382	\$60,310,314	100.00%	\$15,066

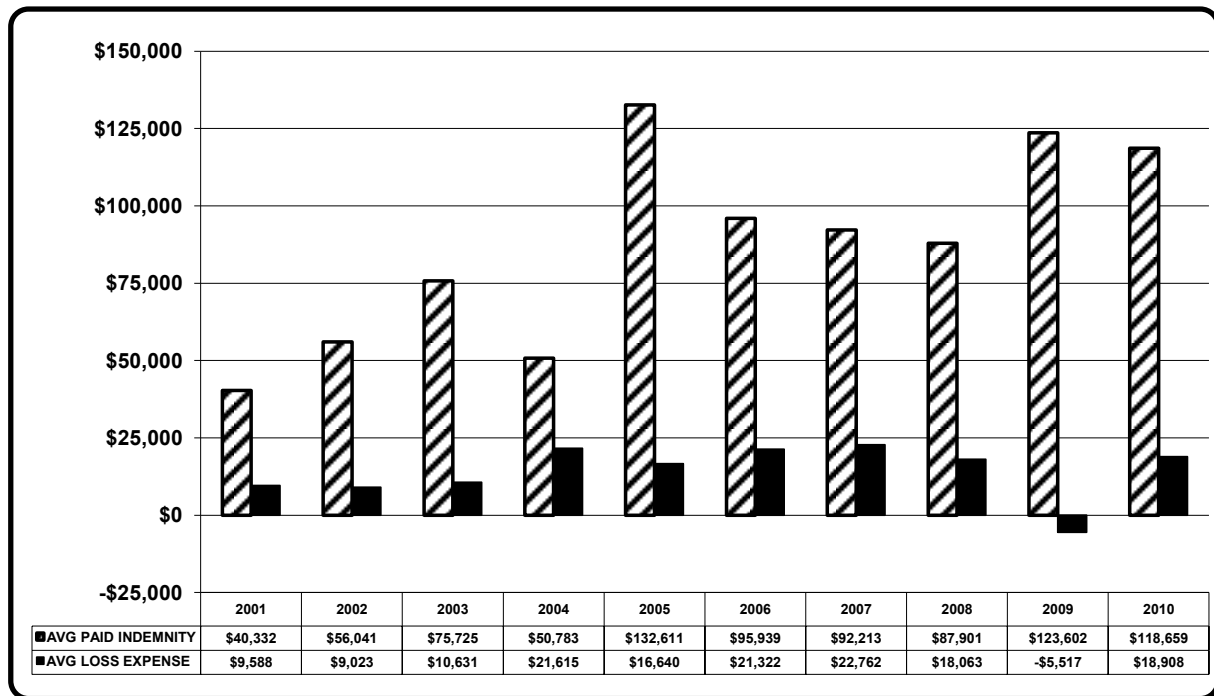
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2010

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OVER 10 YEARS	229	59	96.72%	\$118,659	\$7,000,868	95.63%	\$18,908
4 TO 10 YEARS	10	0	0.00%	N/A	\$0	0.00%	\$2,148
UNDER 4 YEARS	3	2	3.28%	\$160,000	\$320,000	4.37%	\$26,490
TOTAL	242	61	100.00%	\$120,014	\$7,320,868	100.00%	\$18,310

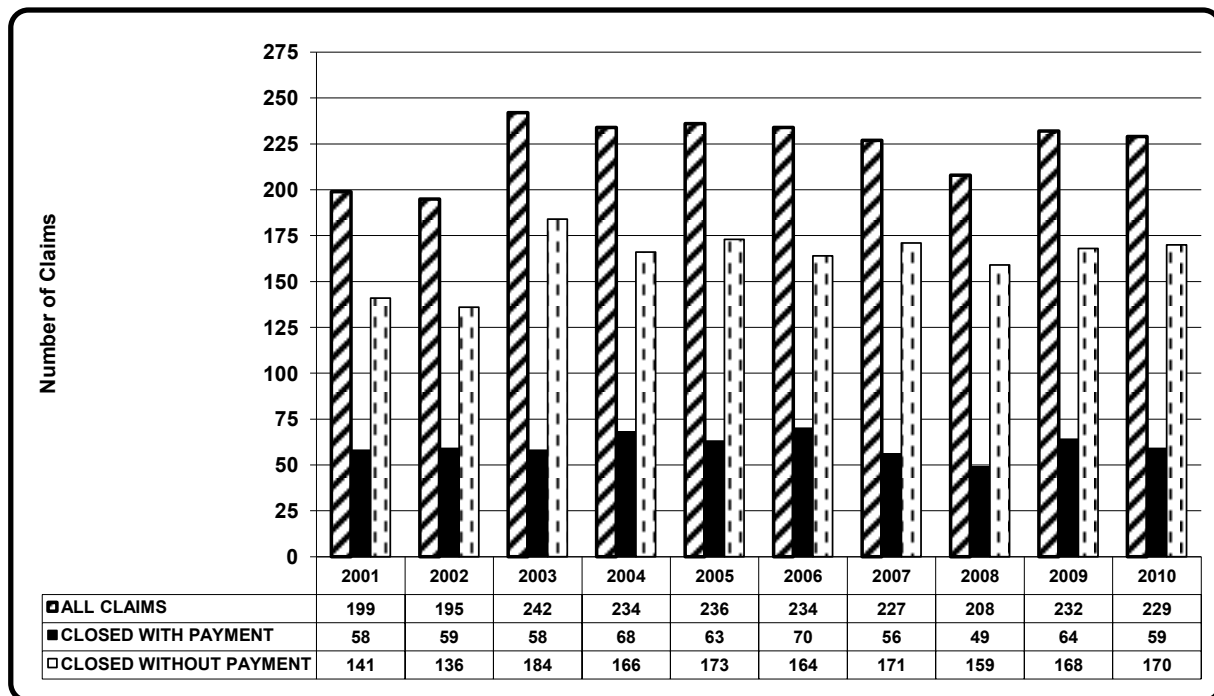
**TRENDS
OF
YEARS ADMITTED TO PRACTICE
FOR 2010**

OVER 10 YEARS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

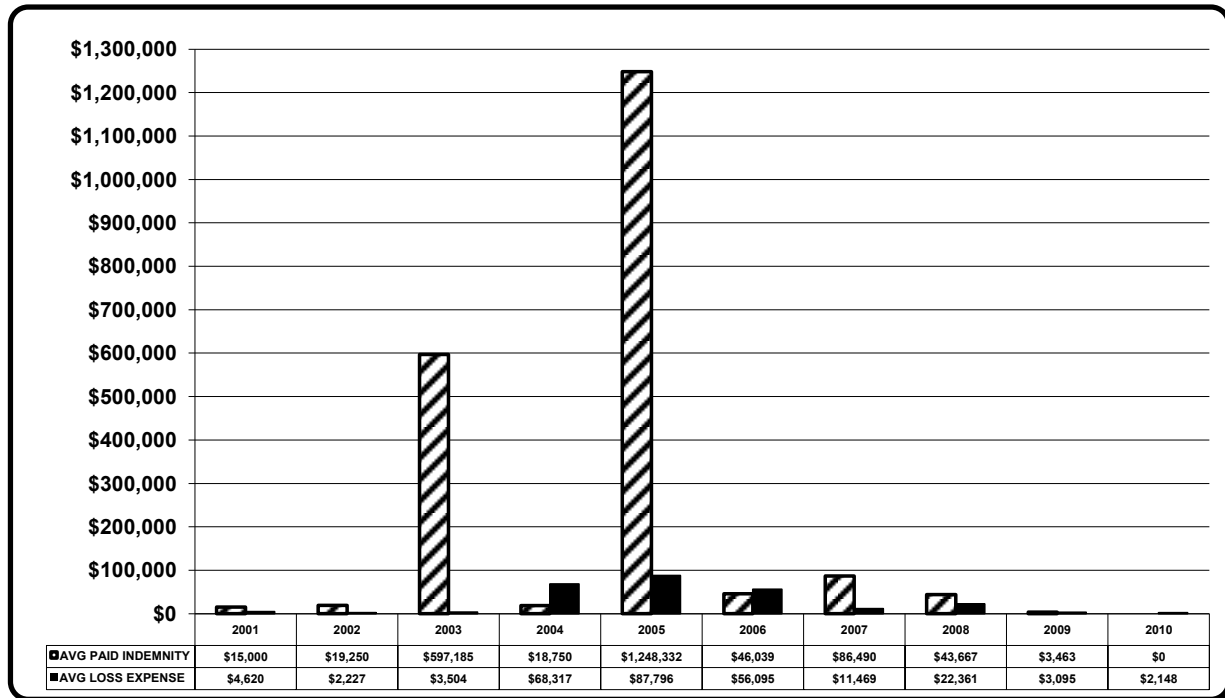


CLAIM COUNT

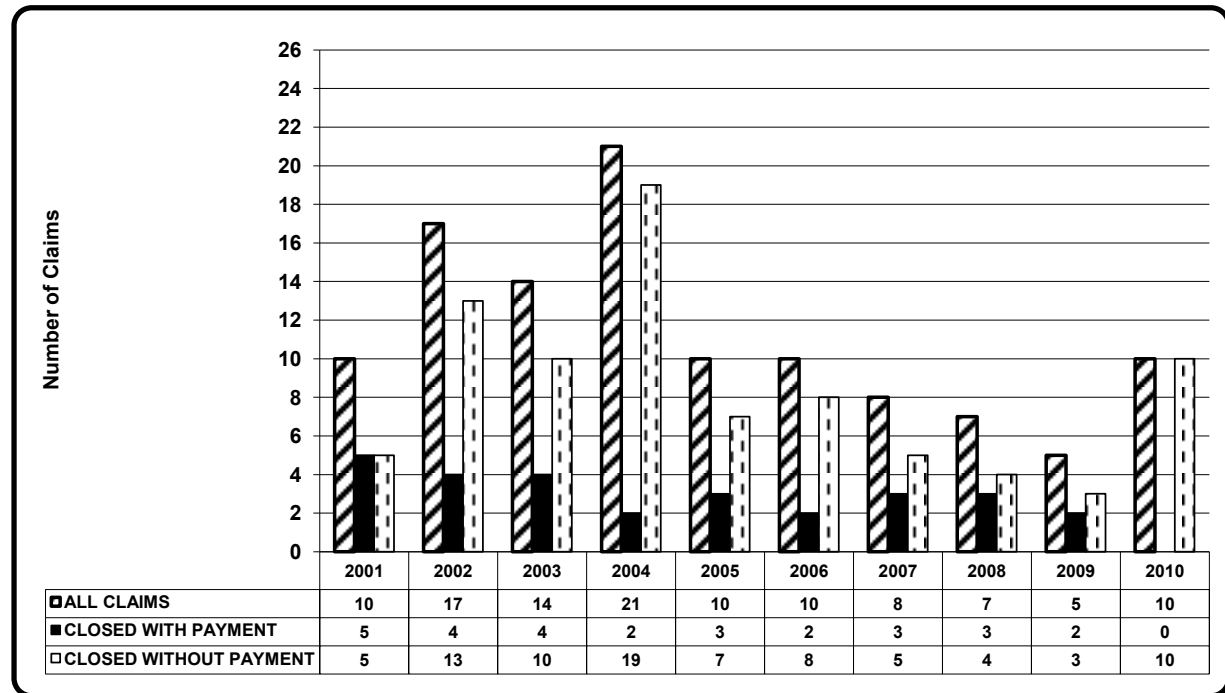


4 TO 10 YEARS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

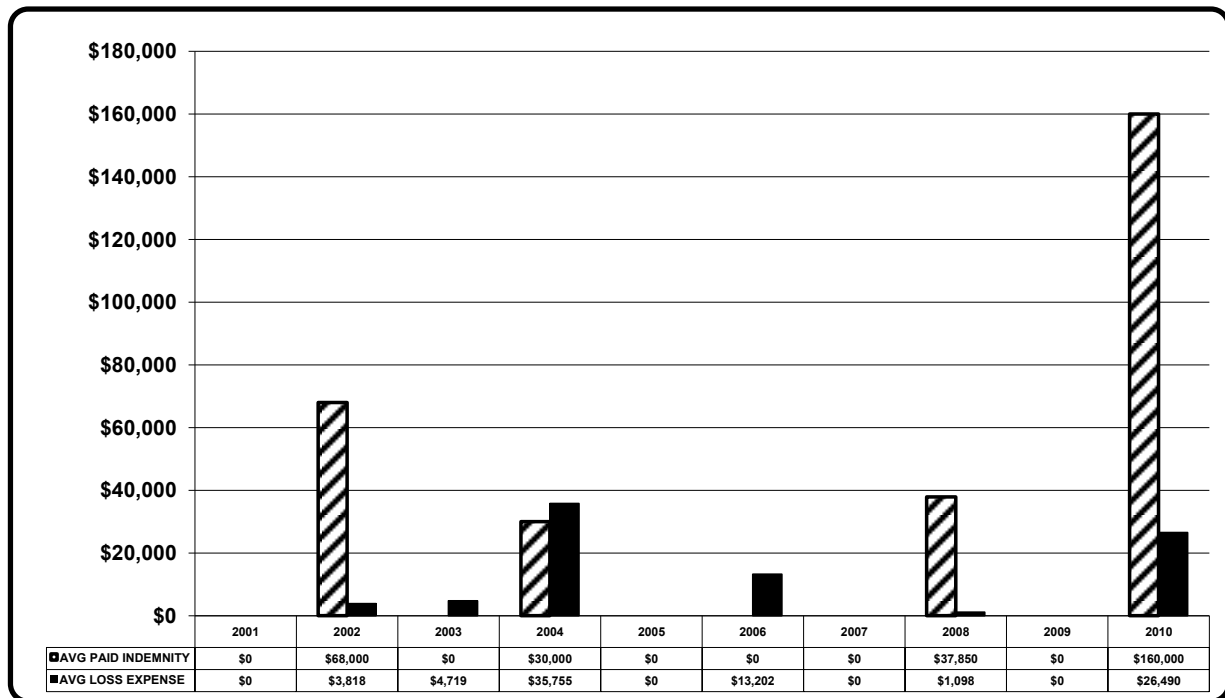


CLAIM COUNT

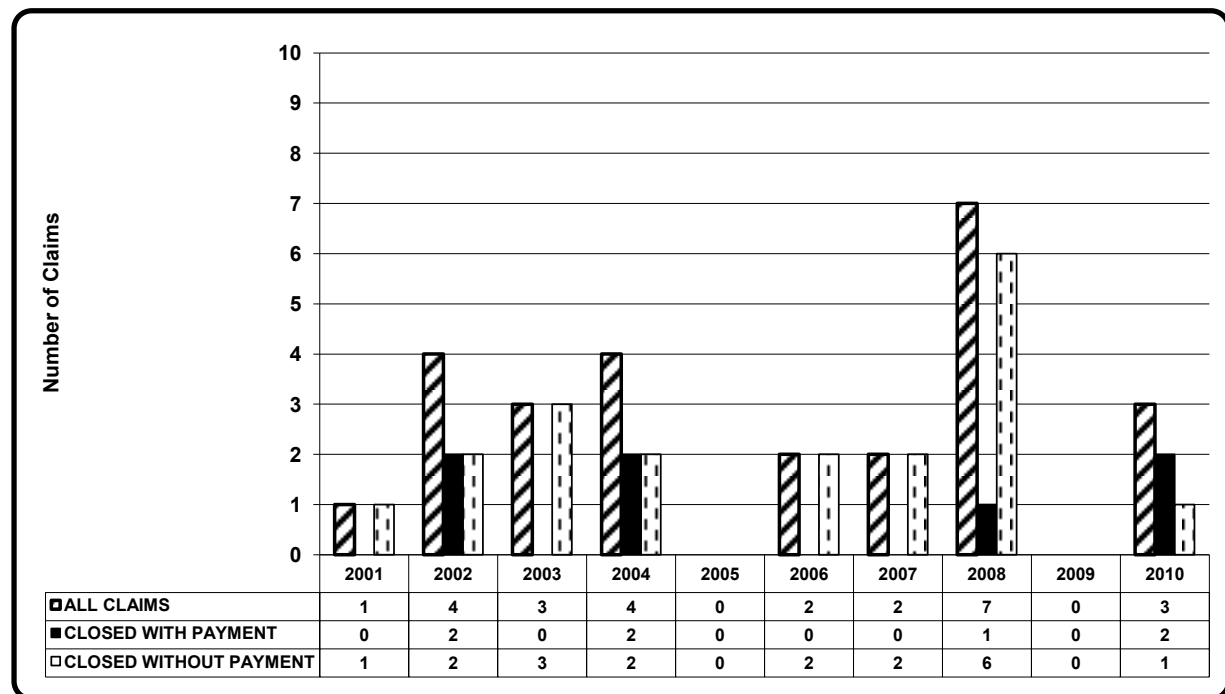


UNDER 4 YEARS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2010 SUMMARY
BY
INSURED/CLAIMANT RELATIONSHIP**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2001-2010

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER CLAIM		TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
CLIENT OTHER THAN ABOVE	1,888	572	89.51%	\$91,987		\$52,616,422	87.24%	\$16,457
NON-CLIENT	475	64	10.02%	\$48,545		\$3,106,892	5.15%	\$9,659
FREE LEGAL SERVICE	8	1	0.16%	\$12,000		\$12,000	0.02%	\$3,016
MEMBER PRE-PAID LEGAL PLAN	3	2	0.31%	\$2,287,500		\$4,575,000	7.59%	\$27,795
TOTAL	2,374	639	100.00%	\$94,382		\$60,310,314	100.00%	\$15,066

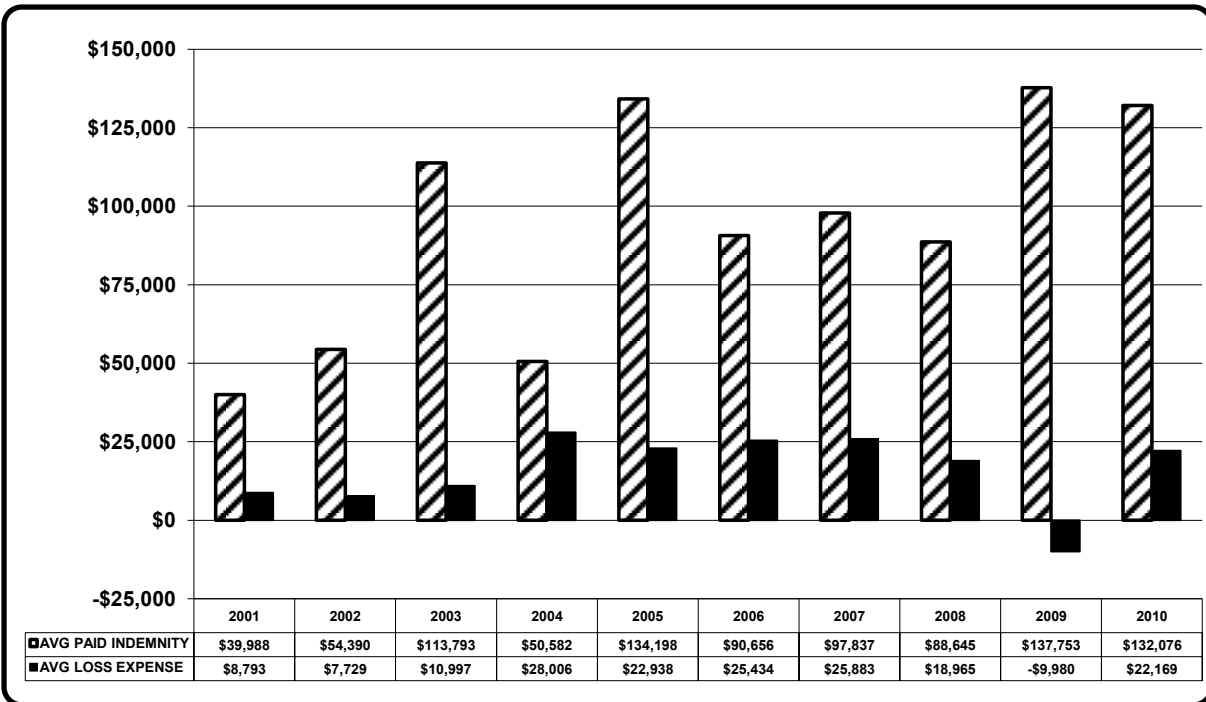
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2010

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
CLIENT OTHER THAN ABOVE	168	50	81.97%	\$132,076	\$6,603,806	90.21%	\$22,169
NON-CLIENT	74	11	18.03%	\$65,187	\$717,062	9.79%	\$9,548
TOTAL	242	61	100.00%	\$120,014	\$7,320,868	100.00%	\$18,310

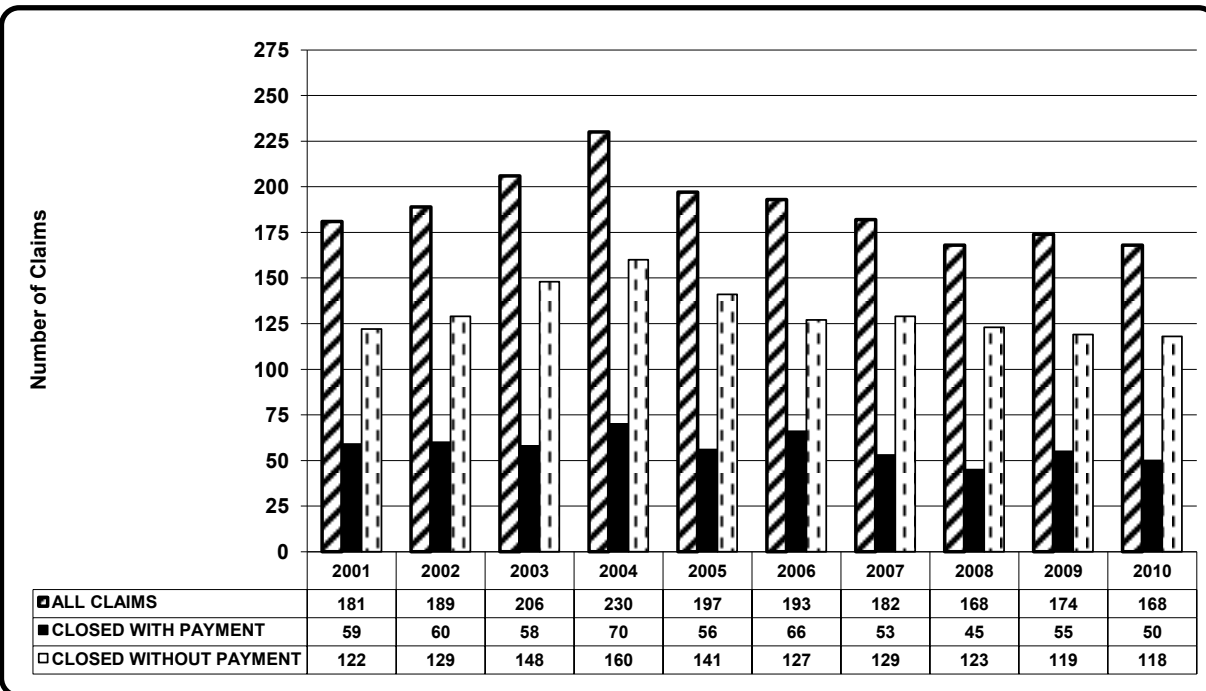
**TRENDS
OF
INSURED/CLAIMANT
RELATIONSHIP
FOR 2010**

CLIENT OTHER THAN FREE LEGAL SERVICE OR MEMBER OF PRE-PAID LEGAL PLAN

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

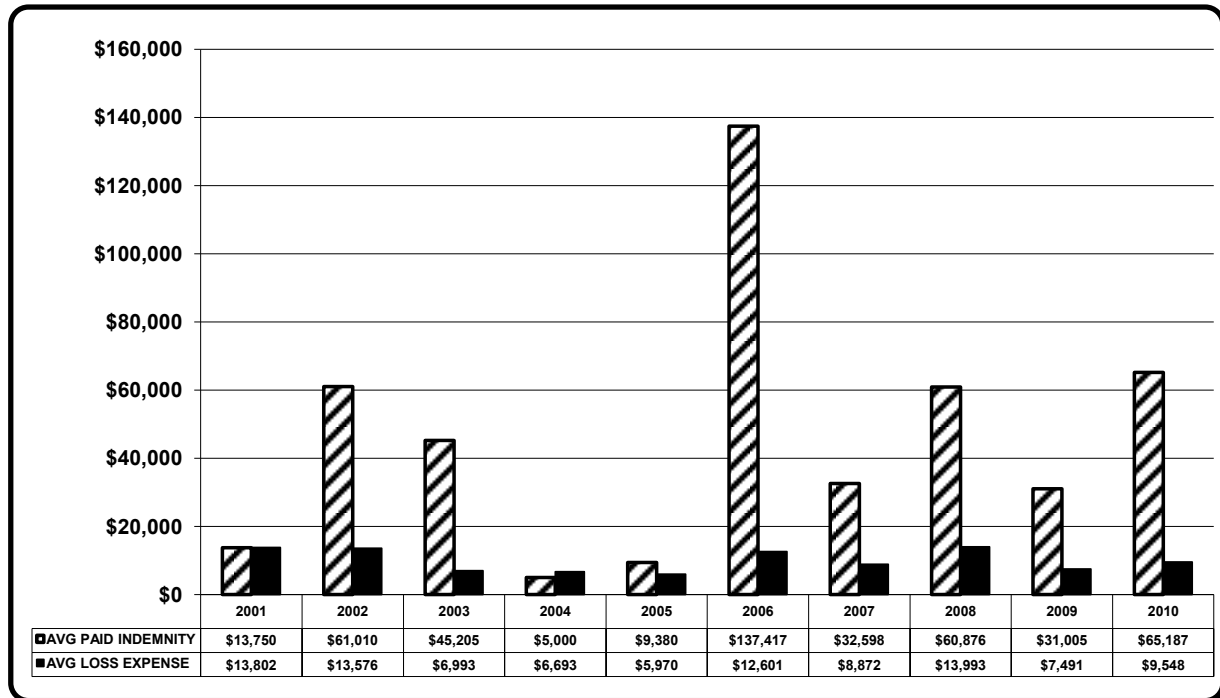


CLAIM COUNT

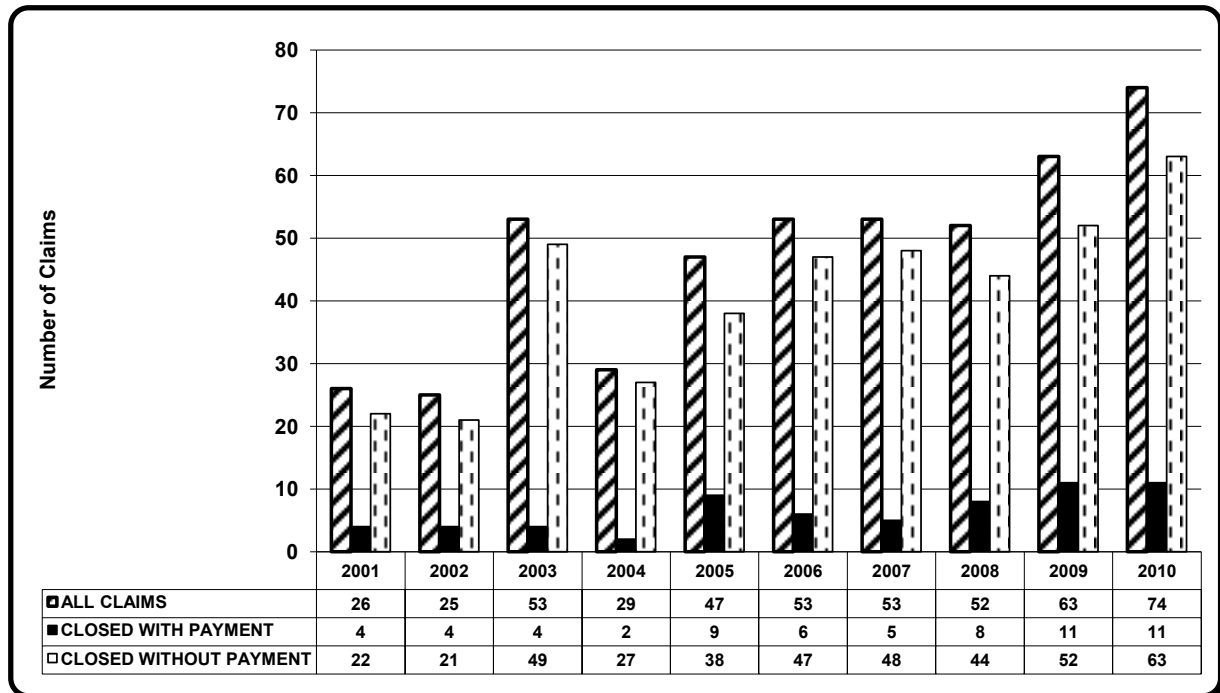


NON-CLIENT

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



PREMIUM AND LOSS DATA

PAGE 19 SUPPLEMENT LEGAL MALPRACTICE EXPERIENCE WITH MARKET SHARE

2010 EXPERIENCE

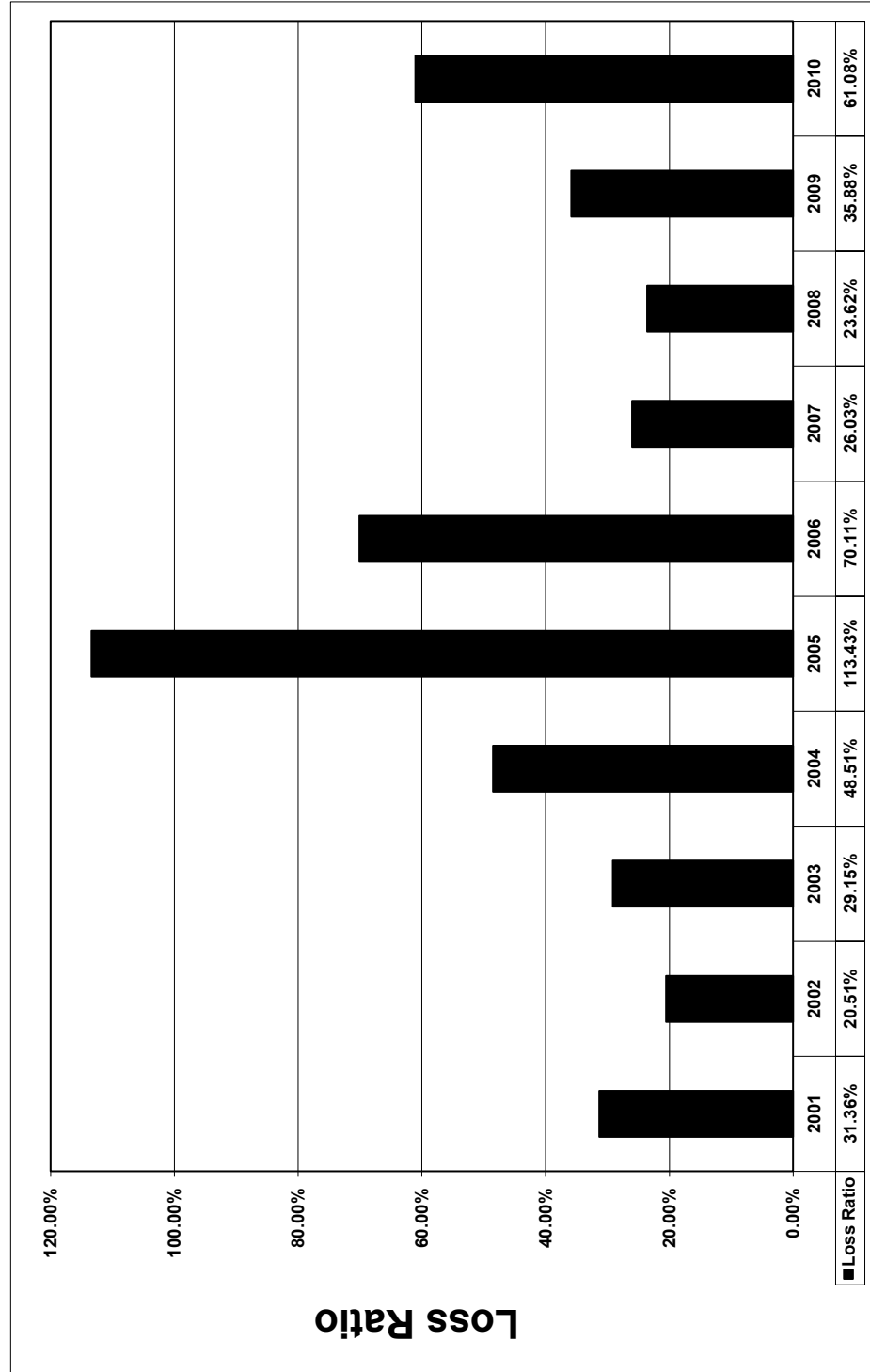
NAIC Company Code	Company Name	Market Share	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
29513	BAR PLAN MUTUAL INSURANCE COMPANY THE	69.46%	\$10,388,492	\$10,775,535	\$5,904,800	54.80%
25585	PROFESSIONALS DIRECT INSURANCE COMPANY	13.66%	\$2,043,466	\$1,969,701	\$1,695,156	86.06%
20443	CONTINENTAL CASUALTY COMPANY	12.94%	\$1,934,974	\$1,720,424	\$1,771,112	102.95%
29459	TWIN CITY FIRE INSURANCE COMPANY	1.92%	\$286,575	\$291,803	\$126,115	43.22%
39845	WESTPORT INSURANCE CORPORATION	0.75%	\$112,328	\$115,026	\$70,463	61.26%
31194	TRAVELERS CASUALTY & SURETY CO OF AMERICA	0.69%	\$102,603	\$129,046	\$0	0.00%
37273	AXIS INSURANCE COMPANY	0.32%	\$47,776	\$47,515	\$8,513	17.92%
12831	STATE NATIONAL INSURANCE COMPANY INC	0.20%	\$29,512	\$29,487	\$5,225	17.72%
22241	MEDMARC CASUALTY INSURANCE COMPANY	0.07%	\$9,786	\$19,379	-\$344	-1.78%
15865	NCMIC INSURANCE COMPANY	0.00%	\$0	\$0	-\$4,221	N/A
16691	GREAT AMERICAN INSURANCE COMPANY	0.00%	\$0	\$1,590	-\$355,857	-22380.94%
22136	GREAT AMERICAN INSURANCE CO OF NEW YORK	0.00%	\$0	\$0	\$25,880	N/A
24767	ST PAUL FIRE & MARINE INSURANCE COMPANY	0.00%	\$0	\$910	-\$1,291	-141.87%
24775	ST PAUL GUARDIAN INSURANCE COMPANY	0.00%	\$0	\$0	\$90,000	N/A
26344	GREAT AMERICAN ASSURANCE COMPANY	0.00%	\$0	\$0	-\$4,479	N/A
33367	INTERMED INSURANCE COMPANY	0.00%	\$0	\$0	\$0	N/A
33723	GREAT AMERICAN SPIRIT INSURANCE COMPANY	0.00%	\$0	\$0	-\$264	N/A
42234	MINNESOTA LAWYERS MUTUAL INSURANCE CO	0.00%	\$0	\$3,527	-\$12,516	-354.86%
22322	GREENWICH INSURANCE COMPANY	0.00%	-\$199	\$20,788	-\$79,865	-384.19%
	TOTAL	100.00%	\$14,955,313	\$15,124,731	\$9,238,427	61.08%

**PAGE 19 SUPPLEMENT
LEGAL MALPRACTICE EXPERIENCE**

TEN YEAR SUMMARY

YEAR	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
2001	\$13,576,133	\$14,770,445	\$4,631,875	31.36%
2002	\$12,818,643	\$11,830,869	\$2,426,999	20.51%
2003	\$13,057,678	\$11,671,741	\$3,402,619	29.15%
2004	\$14,539,856	\$13,343,100	\$6,472,267	48.51%
2005	\$14,794,606	\$14,145,032	\$16,044,522	113.43%
2006	\$17,435,456	\$16,719,059	\$11,720,958	70.11%
2007	\$17,727,731	\$17,152,684	\$4,464,212	26.03%
2008	\$16,324,591	\$16,766,853	\$3,959,872	23.62%
2009	\$15,787,723	\$15,994,807	\$5,738,199	35.88%
2010	\$14,955,313	\$15,124,731	\$9,238,427	61.08%
10-YEAR TOTAL	\$151,017,730	\$147,519,321	\$68,099,950	46.16%

PAGE 19 SUPPLEMENT
LEGAL MALPRACTICE EXPERIENCE
TEN YEAR LOSS RATIO SUMMARY



Insurance Consumer Hotline

Contact DIFP's Insurance Consumer Hotline
if you have questions about your insurance policy
or to file a complaint against an
insurance company or agent:

difp.mo.gov

800-726-7390



DIFP

Department of Insurance,
Financial Institutions &
Professional Registration

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Jefferson City, MO 65102

JUNE 2011